

EXTERNAL

Rate per Kilometre Schedule (2027 Tax Year)

1 MOTOR VEHICLE RATE PER KILOMETRE

1.1 DETERMINATION OF RATE PER KILOMETRE

- a) The rate per kilometre determined in terms of the cost scale below applies in respect of years of assessment commencing on or after 1 March 2026.
- b) The rate per kilometre referred to in section 8(1)(b)(ii) and (iii) must, subject to the provisions of paragraph 4, be determined in accordance with the cost scale set out in paragraph 3, and must be the sum of:
- i) The fixed cost divided by the total distance in kilometres (for both private and business purposes) shown to have been travelled in the vehicle during the year of assessment: Provided that where the vehicle has been used for business purposes during a period in that year which is less than the full period of that year, the fixed cost must be an amount which bears to the fixed cost the same ratio as the period of use for business purposes bears to 365 days;
 - ii) Where the recipient of the allowance has borne the full cost of the fuel used in the vehicle, the fuel cost; and
 - iii) Where that recipient has borne the full cost of maintaining the vehicle (including the cost of repairs, servicing, lubrication and tyres), the maintenance cost.

1.2 COST SCALE

Where the value of the vehicle —	Fixed cost R	Fuel cost c	Maintenance cost c
does not exceed R 115 000	38 344	132.9	49.1
exceeds R 115 000 but does not exceed R 230 000	68 487	148.4	61.4
exceeds R 230 000 but does not exceed R 345 000	98 689	161.2	67.8
exceeds R 345 000 but does not exceed R 460 000	125 393	173.4	74.0
exceeds R 460 000 but does not exceed R 575 000	152 097	185.5	86.9
exceeds R 575 000 but does not exceed R 690 000	180 078	212.8	102.0
exceeds R 690 000 but does not exceed R 805 000	208 106	216.5	114.5
exceeds R 805 000 but does not exceed R 920 000	237 679	220.1	126.1
exceeds R 920 000	237 679	220.1	126.9

1.3 VALUE

- a) Value of a motor vehicle for purposes of the above Schedule must be determined as follows:
- i) Where that motor vehicle (not being a motor vehicle in respect of which paragraph (b)(ii) of this definition applies) was acquired by that recipient under a bona fide agreement of sale or exchange concluded by parties dealing at arm's length, the original cost thereof to him/her, including any value-added tax but excluding any finance charge or interest payable by him/her in respect of the acquisition thereof;
 - ii) Where that motor vehicle:
 - A) is held by that recipient under a lease contemplated in paragraph (b) of the definition of "instalment credit agreement" in section 1 of the Value-Added Tax Act, 1991; or
 - B) was held by him/her under such a lease and the ownership thereof was acquired by him/her on the termination of the lease,
 the cash value thereof as contemplated in the definition of "cash value" in section 1 of the Value-Added Tax Act; or
 - iii) In any other case, the market value of that motor vehicle at the time when that recipient first obtained the vehicle or the right of use thereof, plus an amount equal to value added tax which would have been payable in respect of the purchase of the vehicle had it been purchased by the recipient at that time at a price equal to that market value.

1.4 SIMPLIFIED METHOD

- a) Where:
- i) The provisions of section 8(1)(b)(iii) are applicable in respect of the recipient of an allowance or advance; and
 - ii) No other compensation in the form of a further allowance or reimbursement (other than for parking or toll fees) is payable by the employer to that recipient, that rate per kilometre is, at the option of the recipient, equal to 495 cents per kilometre.

2 DEFINITIONS AND ACRONYMS

Link for centralised definitions, acronyms, and abbreviations: [Glossary A-M | South African Revenue Service \(sars.gov.za\)](#)

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