

2 PERSONAL INCOME TAX

10-YEAR REVIEW

- PIT revenue as a percentage of total tax revenue increased from 29.6% in 2007/08 to 37.2% in 2016/17, with compound annual growth rate (CAGR) of 10.8% and a contribution of 8.4% to GDP over this period.
- The number of individuals on the SARS tax register increased from 4.8 million as at 31 March 2007 to 19.1 million in the year under review. This presents a 300% increase over this 10-year period.
- CAGR increases in the primary, secondary and tertiary rebates from the 2007 tax year to 2016 tax year are:
 - Primary from R7 200 to R13 257 (7.0%);
 - Secondary from R4 500 R7 407 (5.7%), and
 - Tertiary from R2 000 as introduced in the 2012 tax year to R2 466 (5.4%).
- Minimum tax thresholds for taxpayers below the age of 65 increased from R40 000 in the 2007 tax year to R73 650 in the 2016 tax year; for those 65-74 years from R65 000 to R114 800 and 75 years and older from R104 261 in the 2012 tax year to R128 500.

Assessed data for individual taxpayers over the period 2007 to the 2016 tax year shows:

- Number of returns assessed increased from 4 318 512 in the 2007 tax year to 5 370 717 in 2015 (an increase of 24.4%) and to 4 800 344 in the 2016 tax year (an increase of 11.2%). The number of returns increased despite the introduction of minimum submission taxable income thresholds. The submission threshold introduced in 2008 was R120 000 and was increased to R250 000 for the 2013 tax year and to R350 000 for the 2015 tax year.
- In the 2007 tax year 3.5% of assessed taxpayers earned between R350 000 and R500 000 and this increased to 11.6% in the 2016 tax year. Taxpayers earning more than R500 000 increased from 3.3% to 13.4% over the same period, an indication of upward economic mobility in terms of income earned by these assessed taxpayers.
- Aggregate taxable income increased from R603.6 billion to R1.4 trillion over the decade, a CAGR rate of 10.2% with a very similar 9.9% growth for aggregated tax liability. Their average tax amount changed by a CAGR of 8.6%, increasing from R29 343 in the 2007 tax year to R61 862 in the 2016 tax year. Compared to the higher growth rates in income and tax liability, the CPI CAGR over the same period 6.3%. The higher average increases in income and tax liability are due to above inflation salary increases, tax policy changes such as tax rate increases and partial fiscal drag relief.

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