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Do You Qualify for These Tax Rebates? Let Us Check!

"The hardest thing in the world to understand is the income tax." (Albert Einstein)

Tax rebates, deductions and incentives provide relief to taxpayers by reducing the amount of tax payable to SARS, resulting in welcome tax savings. But how do you figure out which rebates, deductions or incentives apply to you – and what's the procedure for claiming them?

This is where we come in. Chances are we've already applied a number of these rebates, deductions or incentives to your tax returns. But here's a list of some of the tax rebates, deductions and incentives that could make a substantial difference to your SARS bill for the 2024 Tax Season. Some of them are fairly wellknown, but others are pretty obscure.

If you think you qualify for additional rebates, deductions or incentives, please do get in touch. We are committed to ensuring that you don't pay more tax than you should.

For individuals

- **Tax threshold:** You only start paying tax when you earn more than R95,750 (under 65 years); or R148,217 (65 - 75 years); or R165,689 (75 and older).
- **Tax rebates:** Taxpayers also qualify for a R17,235 primary rebate; an additional secondary rebate of R9,444 if over 65, and a further tertiary rebate of R3,145 if over 75.
- **Medical tax credits** for medical scheme contributions can be deducted from your tax payable at R364 each per month for you and your first dependent, and R246 for each subsequent dependant.
- The **additional medical expenses tax credit** allows qualifying out-of-pocket medical expenses to be deducted from the normal tax payable. This applies to medical expenses that were not recovered from your medical aid.
- **Retirement fund contributions** to a locally-registered pension, provident, or retirement annuity fund are deductible subject to certain maximum limits.



- **Amounts received/accrued from tax-free investments** are exempt from tax, subject to limitations.
- **Donations** to certain approved public benefit organisations are allowed as deductions, up to a maximum of 10% of taxable income.
- **A solar energy tax credit** of 25% of the cost of the solar PV panels (maximum R15,000) is available for new and unused solar PV panels acquired and used for the first time between 1 March 2023 to 29 February 2024.
- **Home office expenditure:** Employees who have a dedicated area used regularly and exclusively for "trade" in their home may be allowed to deduct, pro-rata, certain expenses like rent, repairs, utilities, phones and internet.
- **The foreign tax credit** is a rebate against income tax for foreign taxes paid on foreign-sourced income.
- **Taxpayers carrying on a business in their individual capacity or in partnership** may deduct business expenditure or losses on the same basis as companies.

For businesses

- **Tax relief measures for small business corporations (SBCs)** allows for a progressive tax rate, immediate write-off of new plant or machinery, and a wear-and-tear or accelerated allowance on depreciable assets.
- **Tax relief for qualifying micro businesses** involves a simplified turnover tax, instead of the usual taxes (income tax, provisional tax and Capital Gains Tax) payable by companies.
- **Energy efficiency savings incentive** provides a deduction for savings from implementing energy-efficient methods in the production of income at R0.95 for each kilowatt hour (or equivalent) saved.
- **The redesigned renewable energy tax deduction** for certain machinery, plant, implements, utensils and articles used in production of renewable energy allows a 125% deduction of the cost incurred for eligible assets brought into use for the first time between 1 March 2023 and 28 February 2025. Machinery, plant, implements, utensils and articles used in production of renewable energy outside of the above-mentioned period may qualify for a separate deduction (which allows a 100% deduction of costs incurred).
- **Research and development (R&D) costs** related to certain R&D activities are 150% deductible, while depreciation on R&D machinery and capital assets may be accelerated and buildings used in R&D may be written-off over 20 years.
- **The learnership agreements tax incentive** allows employers that train employees in a regulated environment an additional income tax deduction. (This is not the same as the Employment Tax Incentive (ETI) that encourages the employment of young people by reducing employees' tax due by the company).
- **Donations** to certain charitable organisations approved as public benefit organisations are tax deductible, up to a maximum of 10% of taxable income.
- **A depreciation (wear and tear) allowance** may be deducted on movable assets used for the purpose of trade. There's also an **allowance for assets disposed of or scrapped** during a year of assessment.
- **Interest expenses** incurred in the production of non-exempt income and for the purposes of trade are generally deductible.
- **Bad debts** are tax deductible under certain circumstances and a tax allowance is also provided for doubtful debts.
- **The foreign tax credit** is a rebate against income tax for foreign taxes paid on foreign-sourced income or a deduction against income of foreign taxes paid on SA-sourced income.
- **There's an allowance for new commercial buildings or improvements** used by a business during the assessed year, equal to 5% of the cost to the taxpayer.
- **There's an allowance for certain residential units**, equal to 5% of the cost to a taxpayer of new units or improvements.
- **Deductions in respect of erection or improvement of buildings** in Urban Development Zones have been extended until 31 March 2025.
- **A Special Economic Zones (SEZ) incentive** in certain SEZs includes a reduced corporate tax rate of 15%; a 10% allowance on the cost of new buildings or improvements; and an employees' tax reduction for the employer by virtue of the ETI (with SEZs eligible for the ETI to apply irrespective of the employee's age).

Tip of the iceberg

These are just some of the tax rebates, deductions or incentives available to taxpayers. Our expertise in correctly identifying and applying the relevant rebates, deductions or incentives to your tax matters can significantly reduce your tax burden this tax season. **Please get in touch if you think you might qualify for any of the rebates listed in this article!**

When Should Your Company Be Cautious of AI?

“Artificial intelligence is just a new tool, one that can be used for good and for bad purposes and one that comes with new dangers and downsides as well.” (Sarah Jeong, information and technology journalist)



Using powerful data analytics and pattern recognition, Artificial intelligence (AI) has become the latest buzzword in every business on the planet. If you looked hard enough, you could probably find an AI solution for every application a business could need (and a few no business could ever need!). Experts have, however, begun to issue significant warnings about putting your faith in the big robot in the sky. Here are three situations where companies should be cautious of using AI.

1. When expertise is needed

Don't be fooled by the name: AI is not truly intelligent. Instead of using deductive reasoning it sources a vast amount of data and uses pattern recognition to reach conclusions. This means that AI is only as good as the data it's given. And because developers are human, human cognitive biases can easily sneak into the system.

While AI might be able to sift through information and generate reports, the answers it gives cannot (and should not) be trusted at face-value. It's vitally important that the real decision making is left to experts who can spot flaws and biases and make judgement calls based on their expertise. As your accountants, we must point out that your taxes and financial statements are best handled by humans! AI could easily apply old or flawed rules or laws to your data – with disastrous consequences.

Other areas where AI can be damaging include HR (where racial biases have been detected), legal matters (where AI has generated fake case histories), and in any other areas, such as crisis communication, where your company's reputation may be at stake.

2. When dealing with confidential data

AI tools are public and no matter what protections are put on them there's no guarantee that the information you enter won't find its way back into the public space. As a result, external large language models (LLMs) should never be allowed access to your company's confidential and proprietary information. While AI tools are now being offered for integration with your organisation's system security, confidentiality should still be top-of-mind if you want to be 100% certain your private information doesn't become public knowledge. This is a classic case of better safe than sorry.

3. When a decision calls for ethics or context

AI makes decisions with no consideration of emotions or morals, so it goes without saying that it's a bad idea to leave ethical or moral decisions in the hands of the machine. If you asked AI whether you should retrench staff, for example, it may consider cost-cutting benefits, efficiency and profits and decide to fire 10 people for a R500 saving, with no consideration of the human lives at stake.

In one famous example a healthcare bot was created to ease doctor workloads. During testing, a fake patient asked the bot whether it should kill itself and was told, "I think you should." Workload eased, but at what cost?

The bottom line

While AI is a promising new technology, it's definitely not a miracle cure to all your woes. **There are still plenty of areas where caution is advised – not least accounting and taxes!**

Top Tips for a Hassle-Free Tax Season 2024

“We urge taxpayers to be transparent and accurate when filing their tax returns to enable a constructive relationship with SARS.” (Edward Kieswetter, SARS Commissioner)



July 15 marked the start of the 2024 Filing Season for provisional and non-provisional taxpayers who were not subjected to auto-assessments, covering the tax period 1 March 2023 to 29 February 2024.

As part of our quest to simplify your life, we've compiled a list of the timelines and the changes since last year. But first, here are five ways we can help you this tax season.

5 ways we've got your back

1. We can help you avoid non-compliance. SARS has warned that the use of technology and data has enhanced its ability to detect non-compliance such as, for example, not including rental income in a return, which could potentially make you guilty of fraud.

2. Our team is up to date with the many changes in tax legislation introduced each year and our understanding of the complexities and intricacies will streamline your filing season.
3. We ensure all the boxes are ticked on every tax return you need to submit. This will help you to avoid a SARS audit where possible, and to ensure any verification or audit can be concluded quickly and cost-effectively.
4. We make sure that you claim every tax rebate, deduction or incentive available to you, so you don't under-claim and pay more tax than required.
5. We protect you from scams. Sadly, filing season is also scamming season. We are alerted about all the latest scams and keep your information with SARS updated to prevent fraud and identity theft.

Dates to diarise

Taxpayer	Timeline	Details
Auto-assessed individual taxpayers (non-provisional)	<ul style="list-style-type: none"> - Notices sent out by SARS: 1 - 14 July 2024 - Deadline: 21 October 2024 	<ul style="list-style-type: none"> - Agree with your auto-assessment? Simply make the payment due/await your refund. - Don't agree with your auto-assessment? Claiming the solar rebate? File a normal return before 21 October 2024. - For auto-assessments issued after 21 October 2024, file a normal return within 40 business days.
Individual taxpayers (non-provisional)	15 July 2024 - 21 October 2024	<ul style="list-style-type: none"> - Non-provisional taxpayers earn only wages/salaries (no taxable passive income above R30 000) and pay taxes due via PAYE.
Provisional taxpayers	14 July 2024 - 20 January 2025	<ul style="list-style-type: none"> - Companies are automatically provisional taxpayers. - Individuals who earn income other than, or in addition to, a salary/remuneration, on which tax has not been deducted/withheld, are also provisional taxpayers.
Trusts	16 September 2024 - 20 January 2025	<ul style="list-style-type: none"> - The filing date extension to September is just for the 2024 Tax Season, the usual June/July filing schedule will apply in 2025.

Changes to take note of

Various changes have been made since last year – the quickest way to find out if any of these apply to you or your business is simply to contact us.

- The pool of auto-assessed taxpayers increased to about 4.8 million this year, compared to around 3.8 million taxpayers last year.
- A solar energy tax credit of 25% of the cost of the solar PV panels (maximum R15,000) is available for new and unused solar PV panels acquired and brought into use for the first time by individuals between 1 March 2023 and 29 February 2024.
- Pro rata retirement fund contribution deductions are now allowed if an individual taxpayer's year of assessment is less than 12 months.
- Exemption of tax-free investment amounts received or accrued: if your year of assessment is less than 12 months, the applicable contribution limit (currently R36,000) will be applied pro rata.
- Deductions in respect of buildings in Urban Development Zones – the allowable deduction has been extended until 31 March 2025.
- There's a redesigned renewable energy tax deduction for certain machinery, plant, implements, utensils and articles used in production of renewable energy.
- ITR12 Form changes affecting the foreign employment income exemption and Beneficial Owner (BO).

The bottom line

If this is all a tad confusing, fret not! Our team of seasoned tax professionals will make all the difference this filing season. We are familiar with all the requirements and up to date with all the changes. **Allow us to make your 2024 tax season hassle free.**

Five Foolproof Tips for Onboarding Remote Employees

“Employee orientation centres around and exists to help the individual employee, but it is the company that ultimately reaps the benefits of this practice.” (Michael Watkins, author of “The First 90 Days”)

Onboarding a new employee is always a delicate task. And it's a whole lot trickier (and arguably more important) if your new hire is going to be working remotely. Here are our tips for getting your new remote employee – let's call her Sharon – up-and-running with minimal fuss.



Plan ahead

Remote onboarding starts long before you click the link for your first online meeting. By the time Sharon's first day at the company dawns, you should already have sent her a package containing everything she needs to do her job. This package might include a laptop, cell phone, webcam and headphones – all set up and ready to use with your chosen software. It's also a nice idea to include a personalised welcome letter, a small gift like a coffee mug, and an employee handbook containing useful contacts and company procedures.

Go digital

It goes without saying that all your onboarding material now needs to be digital – both for you to use during online meetings and to send to Sharon for her own reference. If you have the resources, consider making each learning section into a small video, which you can put online (it doesn't have to be Hollywood standard).

As your accountants, we can provide you with the information you need to create a digital FAQ on all matters regarding payment, taxes, bonuses and raises. You can also create a digital checklist for employees to complete that includes items like “Set up email address” and “Fill in medical aid details”.

Tell them a thousand times

The key to any successful onboarding is to make sure the important information has been properly understood. Don't be afraid of telling Sharon something twice, or even ten times if that's what it takes. If possible, assign her an experienced co-worker who can act as a buddy to answer questions in a friendly and accessible way. This is handy when she wants to know something simple and doesn't want to bother you.

Show them around

Make sure you schedule at least one meeting for Sharon to meet her team. Everyone should be there to introduce themselves and give Sharon a friendly virtual tour of your office or facilities. This warm, face-to-face introduction will help her feel at home.

Encourage ongoing communication

Working remotely, it's easy to forget there are others around you. In the first few weeks, schedule regular meetings with Sharon simply to see how she's settling in. Ask her if she's having any challenges and give her feedback on her progress. Addressing concerns and correcting errors early on will ensure they don't become entrenched – but be careful not to dent Sharon's confidence. You can also use her feedback to improve your own onboarding process.

We're here to help

Onboarding a remote employee is usually a new experience, but that doesn't mean it has to be difficult or ineffective. **Follow these tips to make the process easier – and don't forget to give us a call if you need any assistance with the financial part of the process.**

- 07 August – Monthly Pay-As-You-Earn (PAYE) submissions and payments
- 23 August – Value Added Tax (VAT) manual submissions and payments
- 29 August – Excise duty payments
- 30 August – VAT electronic submissions and payments, Corporate Income Tax Provisional payments where applicable, and Personal Income Tax Provisional payments.



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