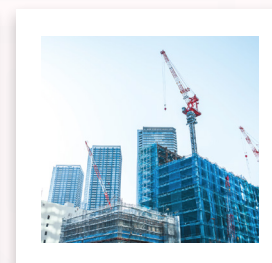




TAXING TIMES

THE 2025 NATIONAL BUDGET



Here we go again... So how does it affect you this time?

- Government proposes to increase the VAT rate by half a percentage point to **15.5%** for **2025/26**, and by another half a percentage point in the year to come.
- There are **no inflationary adjustments** to personal income tax brackets, rebates and medical tax credits. This means that if your salary increases with inflation, you might get pushed into a higher tax bracket.
- The **R70 billion** Eskom debt takeover government was planning has been adjusted down by **20 billion** in total.

A tiny ray of sunshine:

- More than a trillion is allocated to infrastructure – transport and logistics, energy, water and sanitation. This is desperately needed.
- Social grants will be increased above inflation, the fuel levy won't be increased and the basket of VAT-exempt goods will be expanded. The items added to the list of zero-rated foods include edible offal of sheep, poultry, goats, swine, and bovine animals; specific cuts such as heads, feet, bones, and tongues; dairy liquid blend; and tinned or canned vegetables.
- The Covid-19 social relief of distress grant in its current form will be extended by a year to March 2026.

Alcohol and Tobacco Tax Increases

- **Malt beer**
16 cents increase on 340ml can
- **Unfortified wine**
29 cents more per 750ml bottle
- **Fortified wine**
48 cents more per 750ml bottle
- **Sparkling wine**
90 cents more per 750ml bottle
- **Ciders and alcoholic fruit beverages**
16 cents more per 340ml can
- **Spirits**
R5.97 more per 750ml bottle
- **Cigarettes**
R1.04 more per packet of 20
- **Heated tobacco product sticks**
77 cents more per packet of 20
- **Cigarette tobacco**
R1.16 more per 50g
- **Pipe tobacco**
50 cents more per 25g
- **Cigars**
R8.49 per 23g
- **Nicotine and non-nicotine solutions for electronic delivery system**
14c per ml

We're not done yet! Parliament members – all the parties of the GNU – still need to debate and vote on whether they are happy with all of this. We truly do live in interesting times.

