

Sliding scales for the calculation of transfer duty payable by natural & juristic persons

From 23 February 2011 up to date	
0% of the value of the property up to R600,000; 3% of the value of the property above R600,001 up to R1,000,000; 5% of the value of the property above R1,000,001 up to R1,500,000; and 8% of the value of the property exceeding R1,500,001.	
Example 1	
Jenny purchases a habitable dwelling / vacant stand at R600,000.00 Is transfer duty payable? No. The exemption has been increased to R600,000.00.	
Example 2	
Peter purchases a habitable dwelling / vacant stand at R1,500,000.00 How is transfer duty calculated?	
Basic exemption R600,000 @ 0% R600,001 - R1,000,000 (= R400,000) @ 3% R1,000,001 - R1,500,000 (= R500,000) @ 5% Transfer duty payable	R0 R12,000 R25,000 R37,000
Example 3	
John purchases a habitable dwelling / vacant stand at R3,000,000.00 How is transfer duty calculated?	
Basic exemption R600,000 @ 0% R600,001 - R1,000,000 (= R400,000) @ 3% R1,000,001 - R1,500,000 (= R500,000) @ 5% R1,500,001 - R3,000,000 (= R1,500,000) @ 8% Transfer duty payable:	R0 R12,000 R25,000 R120,000 R157,000

Note:

1. Please note that changes to the sliding scales **now apply to legal persons as well**, which up until now have been taxed at a flat rate of 8%. This means that **companies, close corporations and trusts**, as from 23 February 2011 pay transfer duty on the same gliding scale as natural persons.

2. Please note that the above sliding scale came into operation on 23 February 2011 and not on 1 March as would usually be the case.