



The Taxation of Business Income

Understand Remuneration and Tax Implications, and the Taxation of Business Income

For the full details about this workshop and for online bookings go to www.ees.co.za



Workshop Objectives

- ◆ Providing you with insight as to how to calculate employee's tax
- ◆ Understanding the tax implications relating to employee fringe benefits
- ◆ Gaining insight into tax changes
- ◆ Defining Vat Input, Vat Output, Zero Rated and Exempt Tax Supplies
- ◆ Analysing Tax rules in terms of Deductable Expenditure
- ◆ Calculating CGT
- ◆ Looking into the taxation of small business income

About your expert presenter

ALEX NORTJE is an experienced facilitator, consultant and financial planner. He holds a degree in accounting (B Comm) has a master's degree in Business Leadership (MBL) from Unisa and has recently obtained a postgraduate diploma in financial planning from the University of the Free State (CFP). Alex has spent the last 5 years as a lecturer for various institutions, and is currently actively involved with the MBA, MBL, MDP and FMP courses at the Post Graduate School for Business Leadership at Unisa.

Quotes from our financial workshops

"The aim and scope of the course was met. My whole experience was very positive. Excellent as it is."
Izak Kok, Beefcor

"Very good insight into finance."
Carl Lane, Macadams

"Good/excellent presenters."
Dirk Smit, Davies Diagnostics

"Presentations and material were excellent, as well as the lectures."
Lukani Thenga, UNISA Foundation & Alumni Relations

"The workshop was most insightful and informative. I gained an improved understanding of financial statements."
Lwazi Kunene, Royal Swaziland Sugar Corporation

"Venue; facilitator was excellent. Good course coverage for candidate with at least some financial management experience."
Robyn Watson, Beefcor

"I appreciated the real-life scenarios adaptable to the department!"
Jack Mithilini, Department of Education

"I liked the way the presenters presented - fun, not boring!"
Malcolm Clingham, Brinks Southern Africa

"Good lecturers who know their subject very well. Answered questions well."
Marius Smit, Robor Tube

"Brilliant intro to finance fro non-financial managers. Interactive session. Great interpersonal skills by facilitators."
Workshop attendee

"The open discussion was positive. The workshop unpacked the new ideas and terminology used in accounting. It provided me with an improved understanding of the numbers that so often land on my desk."
Sipho Nkambule, Ubombo Sugar

"The interaction was fantastic, making a wonderful relationship to our current businesses. The knowledge imparted was enormous. Very excited to apply my knowledge to our own business."
Jo-Anne Porter, Emperor Foods

"Learned much about the financial areas that I need for my business to succeed and will apply my learning to my current situation. SPOT ON."
Seth Olivier, Synchrona Waste Management

"The course proved very beneficial with me. The course is excellent!"
Khosi Sigasa, Denel

Workshop outline

PART A: REMUNERATION AND TAX IMPLICATIONS

IDENTIFYING WHAT PACKAGE STRUCTURING OPTIONS ARE AVAILABLE

- ◆ Looking at available fringe benefits and the tax implications thereof
- ◆ Selecting suitable benefits that are appropriate and reasonable
- ◆ Understanding tax risk implications associated with adopting unsuited salary structures
- ◆ Ensuring that your remuneration packages legally compliant with SARS rules
- ◆ Maintaining these structures in a continuously changing business and tax environment

SARS AND PAY STRUCTURING

- ◆ Looking at how SARS views "salary" structuring
- ◆ Providing an overview of the legal components of a total pay package
- ◆ The Don'ts of Salary Structuring
- ◆ Knowing the tax penalties are imposed for non-compliance

TAX CHANGES EFFECTIVE FROM 1 MARCH 2010

- ◆ Looking at the Tax changes
- ◆ Examining the impact of these changes on the Employer and Employee
- ◆ Touching on the current rules of Travel and Medical Aid Allowances
- ◆ Discussing the reasons to these amendments

APPLICATION OF SITE AND PAYE ON THE CALCULATION OF EMPLOYEES TAXATION

- ◆ Looking at the steps to calculate employees taxation
- ◆ Categories of employees
- ◆ Independent contractors
- ◆ Labour brokers
- ◆ Exemption certificates
- ◆ Directors of private companies

PART B: TAXATION OF BUSINESS INCOME

Confusing vat terms can erode business profits; in fact any incorrect classifying could have significant impact on your profit margin and may indicate weak internal corporate governance. Incorrectly classifying your supplies will distort the computation of the recovery percentage, causing either to much or to little tax being reclaimed. Both outcomes will harm your business.

INTRODUCTION TO VALUE ADDED TAXATION (VAT)

- ◆ Proving you with a simplistic overview of vat
- ◆ Identifying what vat is levied on
- ◆ Recognising what items vat will not be levied on
- ◆ Defining what is a vat vendor
 - Describing what is an enterprise
- ◆ Registering as a vat vendor
- ◆ Proving you with an summary of Section 27 of the Vat Act relating to tax periods

DISCUSSING VAT OUTPUT – SUPPLIES OF GOODS

- ◆ Identifying the types of supplies
 - Taxable Supplies
 - Zero Rated
 - Exempt Supplies
- ◆ Time of supply rules
- ◆ Value of supply rules

ANALYSING THE RULES RELATING TO VAT INPUT

- ◆ Meeting the requirements in order to claim vat input
- ◆ Looking at the instances where input of vat cannot be claimed
- ◆ Ensuring that you do not expose your organisation to unnecessary risks

One of the most common tax questions asked is what expenses can one deduct from their income. This section aims to explain the general principles that one can apply in claiming specific expenses as a deduction.

DEDUCTIBLE EXPENDITURE

- ◆ Section 22 of the Act – Trading Stock
- ◆ Employee Related Expenses
 - Salaries and wages
 - Contributions to funds
 - Annuities paid to former employees or dependents of former employees
 - Key Man Policies
 - Section 11 (CA) Restraint of Trade Payments
 - Deductions for shares given to employees
- ◆ Identifying the rules relating to bad debts
 - Deduction for bad debts
 - Doubtful debts allowance Section 11 (J)
- ◆ Section 11 (BA) Pre-Production Interest
- ◆ Finance Charges Section 11 (BB)
- ◆ Legal Expenses
- ◆ Rent Paid
- ◆ Donations
- ◆ Regional Service Council Levies
- ◆ Interest Expense
- ◆ Prepaid Expenditure
- ◆ Assess Losses
- ◆ Repairs
- ◆ Foreign Exchange and Learnerships

There are few taxes that cause more confusion amongst laymen than Capital Gains Tax, However, in its basic form, it is conceptually not a difficult tax to understand. In this session we attempt to lift the veil.

CAPITAL GAINS TAX (CGT)

- ◆ Defining what is CGT
- ◆ Looking at what type of assets are affected by CGT
- ◆ Determining the Base Cost of the affected asset
- ◆ Looking at the steps to follow in calculating CGT
- ◆ What are the rules regarding Rollover Provisions?
- ◆ Capital Gains/Loss – what is included in Taxable Income

Small business corporations could save just under R60 000 in taxes and avoid being smacked with treble penalties for non-disclosure.

TAX RELATING TO SMALL BUSINESS CORPORATIONS

- ◆ Looking at what the Tax Act defines as being a small business
- ◆ Identifying with the advantages of being a small business
- ◆ Providing you with the Tax Rates applicable to small businesses

TAX UPDATES AND CHANGES AFFECTING COMPANIES

- ◆ Looking at the details of the proposed dividend withholding tax and related matters
- ◆ Changes to the definition of a dividend
- ◆ New anti-avoidance provisions and the pay now and argue later rule