



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

INCOME TAX N6

19 June 2025

This marking guideline consists of 6 pages.

SECTION A

QUESTION 1

- 1.1 D✓✓
- 1.2 A✓✓ – The interest is not 'in the production of income' as it is a plumbing business – not cash loans.
- 1.3 B✓✓ – The deduction will be claimed in the 2026 year of assessment when payment is actually made.
- 1.4 D✓✓ – The dividend is received as an annuity and therefore it is not exempt.
Monthly repetitive amount = Annuity: $R1\ 500 \times 12 = R18\ 000$
- 1.5 B✓✓ – In terms of practice, the cost agreed upon must be included in the year that the building is completed, thus R500 000 during 2026.
- (5 × 2) [10]

QUESTION 2

- 2.1 False✓✓
- 2.2 True✓✓
- 2.3 False✓✓
- 2.4 False✓✓ 20% on the first R30 million
- 2.5 False✓✓ A fiscal year runs from 1 April until 31 March.
- (5 × 2) [10]

TOTAL SECTION A: 20

SECTION B

QUESTION 3

BENJAMIN FRANKLIN

3.1	First provisional payment:	31/08/2024 ✓	IRP6/01 ✓	
	Basic amount		665 000	✓
	Tax per the tables $[R121\ 475 + 36\%(665\ 000 - 512\ 800)]$		176 267	✓
	Less: Primary rebate		(17 235)	✓
	Secondary rebate (65 and older) OR (26 679)		<u>(9 444)</u>	✓
	Tax for the year		149 588	☑
	$\times 6 \div 12$ OR divide by 2		74 794	☑
	(Instruction states round to the nearest rand.)			
	Less: Tax withheld (6 $\times$ R13 000)		(78 000)	✓
				✓
	First payment due to SARS		R NIL	✓ (11)
3.2	Second provisional payment:	28/02/2025 ✓	IRP6/02 ✓	
	As per instruction:			
	Use the lower of :			
	1) Basic amount R667 000			✓
	OR			✓
	2) 90% of taxable income		607 500	✓
	$[90\% \times R675\ 000 = R607\ 500]$			✓
	Tax per the tables $[R121\ 475 + 36\%(607\ 500 - 512\ 800)]$		155 567	✓
	Less: Primary rebate		(17 235)	✓
	Secondary rebate (65 and older) OR (26 679)		<u>(9 444)</u>	✓
	Tax for the year		128 888	☑
	Less: Tax withheld (12 $\times$ R13 000)		(156 000)	✓
				✓
	Less: First payment		R NIL	☑
	Second payment due to SARS		R NIL	✓ (14)
				[25]

QUESTION 4

GUGLIELMO MARCONI

DETAILS:		RAND	
Salary		540 000	✓
Prize for best employee of the year		50 000	✓
Pension fund fringe benefit (employer contribution)		40 500	✓✓
Medical aid fringe benefit		48 000	✓✓
Pension received		60 000	✓
Farewell gift from fellow employees		R NIL	✓✓
Foreign dividends	367 200		✓
Less: Exempt portion $367\,200 \times 25 \div 45$ ✓	(204 000)	163 200	✓
INCOME		901 700	
Less: Retirement funding		(129 500)	✓
Actual contributions:			
Pension fund (self)	42 750		✓
Pension fund (employer)	40 500		✓
Pension fund (arrear contributions)	22 250		✓
Provident fund	24 000		✓
TOTAL	129 500		
Limited to the lower of:			
1) R350 000			✓
OR			
2) $27,5\% \times 901\,700 = 247\,968$			✓
TAXABLE INCOME		772 200	✓
Taxation as per the tables:		217 835	✓
[R179 147 + 39%(772 200 – 673 000)]			
Medical tax credits 65 and over:			
Married out of community: $(2 \times 364 \times 12)$	8 736	(8 736)	✓✓✓
Contributions: Employer + Employee $(48\,000 + 12\,000)$	60 000		✓✓
Less: 3 times R8 736 (>65 years)	(26 208)		✓✓
Qualifying expenses	33 792		✓
Plus: Out-of-pocket expenses	8 208		✓
Total qualifying medical expenses	42 000		✓
Additional medical tax credits over 65 $R42\,000 \times \frac{1}{3}$		(14 000)	✓✓
LUMP SUM TAX ON RETIREMENT:			✓
[143 550 + 36%(1 350 000 – 1 155 000)]		213 750	
Lump sum from pension fund	1 000 000		✓
Gratuity from his employer	200 000		✓
Accumulated leave pay	150 000		✓
TOTAL	1 350 000		
Less: Primary rebate		(17 235)	✓
Less: Secondary rebate OR (26 679)		(9 444)	✓
Less: PAYE first IRP5		(190 000)	✓
Less: PAYE second IRP5		(16 170)	✓
Taxation payable to SARS		176 000	✓

[41]

QUESTION 5

DETAILS:	Farming inc./exp.	Capital development expenses	Peter Henlein	
INCOME:				
Sale of fresh produce	2 400 000			✓
Sale of river sand to the local community (once-off)			600 000	✓✓
Renting out of a harvester to his neighbour farmer	26 000			✓
Subsidies received to build a dam	750 000			✓
Interest received on 12-month fixed deposit			24 000	✓
Less: Exemption <65 years			(23 800)	✓
Sales from fruit stall along the N1	850 000			✓
Loan from bank to buy the farmhouse (capital in nature)			R NIL	✓✓
PAYMENTS:				
School supplies bought for his children			R NIL	✓✓
Building of a dam		(1 900 000)		✓
Houses for farm workers (low-cost housing sec 13sex) W&T: (6 × R285 000) @ 10%	(171 000)			✓✓
Eradication of noxious plants	(840 000)			✓✓
Prevention of soil erosion	(50 000)			✓✓
Purchases of seeds	(300 250)			✓
Tractor bought in Feb 2023 W&T: R800 000 @ 20%	(160 000)			✓✓
Rations for workers	R NIL			✓✓
Produce used for private consumption	16 000			✓✓
Groceries bought for farm workers	(144 000)			✓
Wages: Farm workers	(580 000)			✓
Wages: To build a dam		(850 000)		✓✓
Medical contributions for farm workers	(4 500)			✓
New plough bought 1 October 2024 W&T: R220 000 @ 50%	(110 000)			✓✓
Opening stock: In cold storage	(20 500)			✓
Opening stock: On the citrus trees	R NIL			✓
Closing stock: In cold storage	1 000 000			✓
Closing stock: On the citrus trees	R NIL			✓
Interest paid on loan to buy seeds	(38 000)			✓
Road built – highway to the farmhouse		R NIL		✓✓
Transfer to private account			R NIL	✓✓
TOTAL INCOME	2 623 750		600 200	
TOTAL CAPITAL DEVELOPMENT EXPENSES		(2 750 000)		
CDE UTILISED AGAINST FARMING INCOME	(2 623 750)	2 623 750		☑✓
CDE transferred to 2026		(126 250)		✓
INCOME	R NIL		600 200	✓☑
Less: Donations not allowed (no Sec18A receipt)			R NIL	✓✓
TAXABLE INCOME			600 200	
Taxation as per the tables [121 475 + 36%(600 200 – 512 800)]			152 939	☑
Less: Primary rebate			(17 235)	✓
Less: PAYE			(60 204)	✓
Taxation payable to SARS			75 500	☑

QUESTION 6

MARTIN & COOPER CC (SMALL BUSINESS CORPORATION)

DETAILS:	SBC INC/(EXP)	
Sales: Cash	925 000	✓
Sales: Credit	450 000	✓
Finance charges	128 000	✓✓
Credit losses recovered: Trading debts written off	58 000	✓
Credit losses recovered: Loan to Cooper's son, Mobi	R NIL	✓✓
Deposits received	R NIL	✓✓
VAT collected	R NIL	✓✓
EXPENSES:		
Entertainment	(75 000)	✓
Goods to primary school	(3 500)	✓
Christmas gifts to regular clients	(8 600)	✓
Legal cost in drawing up a new lease contract	(5 000)	✓
Collection costs on trade receivables	(3 000)	✓
Collection costs to recover loan from Mobi	R NIL	✓✓
Credit losses: Trade and other receivables	(8 000)	✓
Credit losses: Cooper's wife	R NIL	✓✓
Wages: Workshop staff	(310 000)	✓
Pension fund contributions paid in respect of staff	(24 000)	✓
Allowance for staff bonuses	R NIL	✓✓
Rent paid (65 000 – 20 000)	(45 000)	✓✓
Purchases	(235 000)	✓
Opening inventory	(140 000)	✓
Import duty (7 000 + 5 000)	(12 000)	✓✓
Closing inventory	70 000	✓
Telephone	(96 000)	✓
Electricity (reconnection fee = penalty, no deduction)	(39 000)	✓✓
Stationery and courier fees	(5 850)	✓
Repairs to roof of shop	(25 000)	✓
Painting of shop	(75 000)	✓
General repairs	(1 000)	✓
Paving the area in front of shop (Capital)	R NIL	✓✓
Replace floor tiles (Capital, but less than R7 000)	(6 500)	✓✓
Allowance for credit losses: 2024 R20 000 @ 25%	5 000	✓✓
Allowance for credit losses: 2025 R25 000 @ 25%	(6 250)	✓✓
Delivery van (SBC) W&T: R150 000 @ 30%	(45 000)	✓✓
Furniture (SBC) W&T: (R97 750 × 100 ÷ 115) @ 20%	(17 000)	✓✓✓
Machinery used in a process of manufacture (SBC) W&T: (R143 750 × 100 ÷ 115) @ 100%	(125 000)	✓✓
Other machinery (SBC) W&T: R30 000 @ 50%	(15 000)	✓✓
Assessed loss brought forward from 2024	(1 000)	✓
TOTAL INCOME	299 300	☑
Donation: Limited to 10% × R299 300 = 29 930	(14 300)	✓✓
Taxable income	285 000	
Taxation according to the tables: [7% × (R285 000 – R95 750)]	13 248	☑

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TOTAL SECTION B:
GRAND TOTAL: