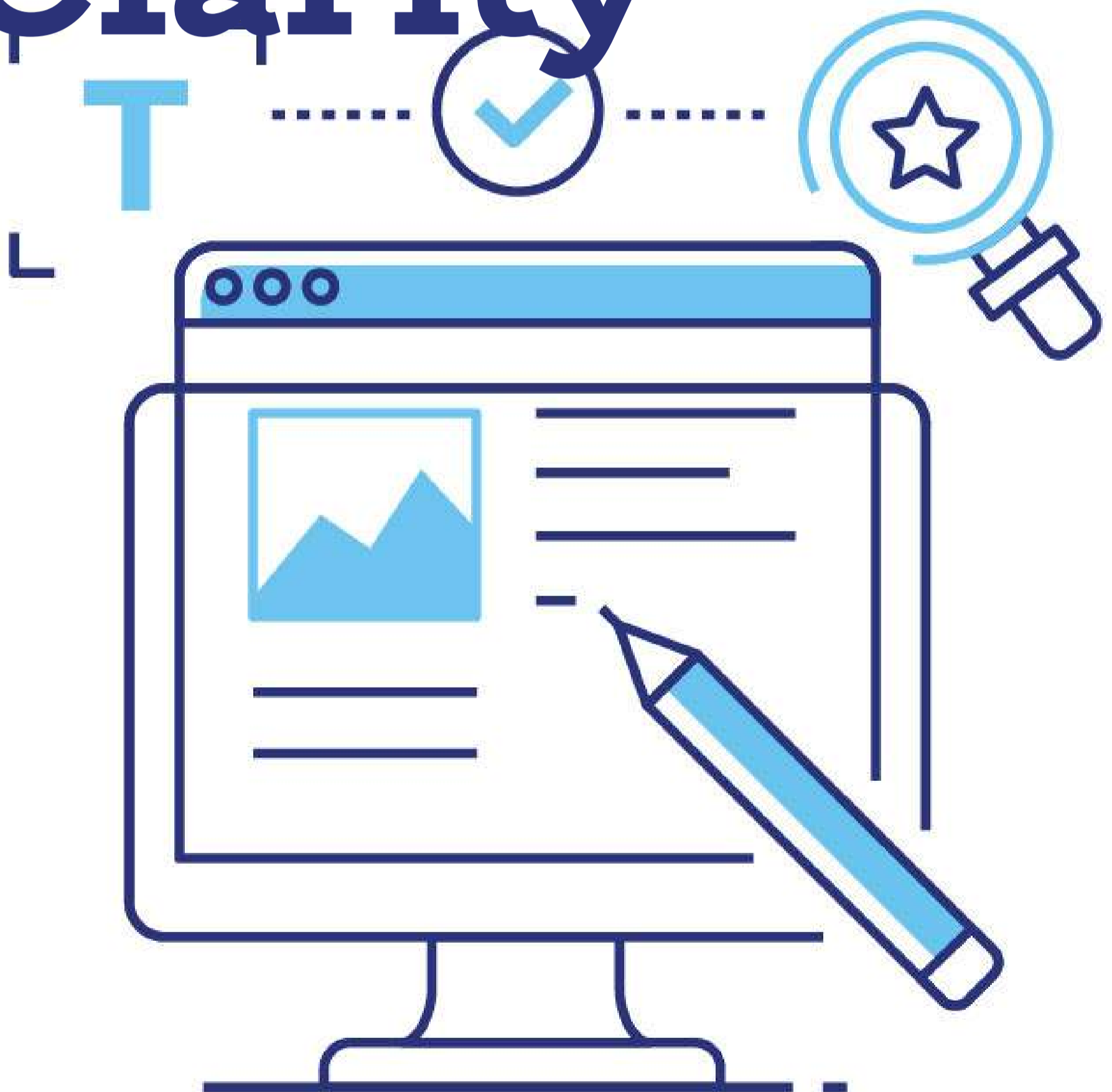


Your Guide to Tax Clarity

How to Pay on Tax in 100 Days. Accounting Made Simple



D i a n a M i t i

Provisional Tax in South Africa Made Simple

Everything SMMEs & Freelancers Need to Know. **Brought to you by Qudi Accounting**

About This Guide

If you're a small business owner, freelancer, or earn income outside of a formal salary, you may need to register for *provisional tax*. This guide breaks it down into simple steps — from who qualifies, to key deadlines, to how to stay compliant.

1. What is Provisional Tax?

Provisional tax is **not a separate tax** – it's a system that allows taxpayers to pay their income tax in advance, **in two instalments** during the tax year, instead of one lump sum at year-end. Giving you more flexibility .

Why does it exist?

To help businesses and individuals who **don't earn regular monthly salaries** avoid large tax payments at the end of the year.

Who uses it?

- Freelancers
- Sole proprietors
- Directors of companies
- Small business owners
- People earning rental income, investment income, or side hustles

 **Tip from Qudi:** If you receive a salary *and* freelance on the side, you may still be required to register!

2. Who Must Register for Provisional Tax?

You must register if you:

Earn income **not subject to PAYE** (i.e., not from a salary paid by an employer)

Expect to earn more than the tax threshold:

- R95,750 (under age 65)
- R148,217 (ages 65–75)
- R165,689 (over 75)
- Run a registered business, partnership, or sole proprietorship
- Receive rental income, director's fees, dividends, or other investment income

Who is Exempt?

Employees earning **only a salary** with PAYE deducted

Individuals whose total income is under the threshold

 **Important:** SARS may penalise you **even if you're under the threshold** but don't file a nil return — get advice!

3. When Are the Provisional Tax Deadlines?

There are **TWO main submissions** in the year — with an optional third:

Submission

Due Date

Description

First Period (IRP6)

31 August

Estimate 50% of total taxable income

Second Period (IRP6)

28/29 February

Estimate 90% of your actual income for the year

Optional Third (Voluntary Top-Up)

30 September

Helps avoid penalties if underestimated in February.

What happens if you miss a deadline?

- **Late submission penalties** -R250/month or more
- **Underestimation penalties** up to 20% of tax due
- **Interest charged** -on unpaid amounts

 Qudi Accounting Pro Tip: Always file even if it's a nil return. SARS takes non-submission seriously.

How Qudi Accounting Can Help

We simplify the process for you:

- ✓ Assess whether you need to register
- ✓ Handle your IRP6 submissions
- ✓ Avoid SARS penalties with expert guidance
- ✓ Set up your eFiling profile (if not done)
- ✓ Advise you on your correct income estimates

Let's Get You Tax Compliant

 Website: www.qudi-accounting.com

 Email: info@qudi-accounting.com

 Call: 011 100 0478

 [Book a consult.](#)

✓ *First-time provisional taxpayer?* Ask us about our affordable Provisional Tax Starter Pack.

Frequently Asked Questions

Q: Can I register anytime?

A: Yes, but don't delay once you hit the threshold. Backdated registrations may still require retroactive payments.

Q: What if I earn from multiple streams?

A: Your total income must be considered. Qudi can help consolidate it into one return.

Q: Is it better to overestimate?

A: Slightly, yes — underestimates can result in penalties. We help you strike the right balance.

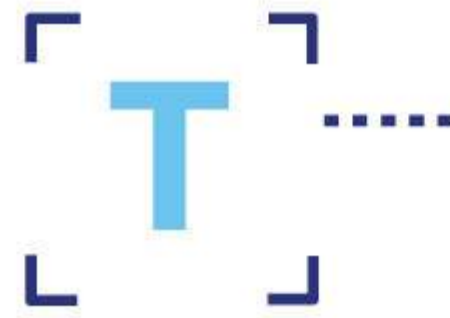
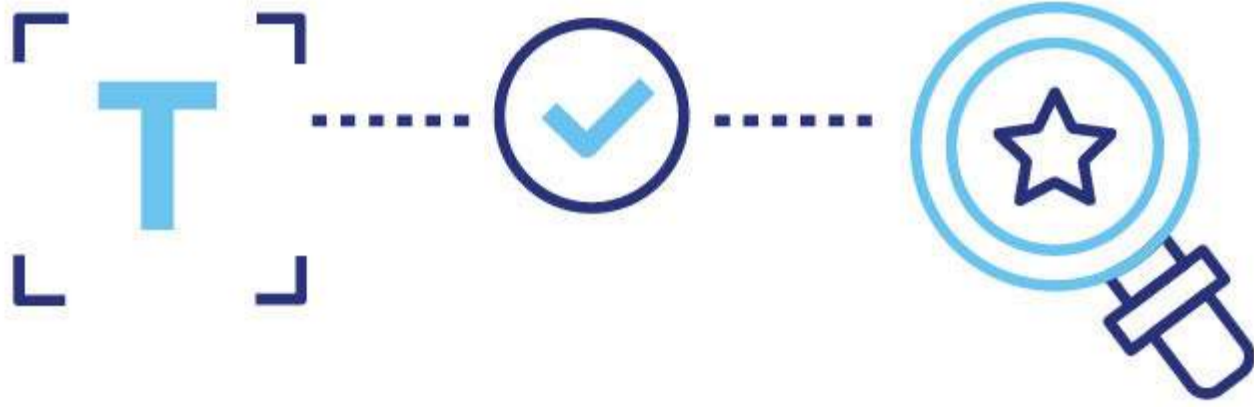
Want More Free Resources?

Visit the **Qudi Accounting Resources Page** for more beginner-friendly e-books.

VAT registration

Disclaimer

This guide is general and does not replace individual tax advice. For personalised consultation, please contact Qudi Accounting.



Provisional Tax in South Africa Made...

Provisional Tax in South Africa Made Simple is your essential guide to navigating the complexities of provisional tax for small business owners and freelancers. Discover who needs to register, key deadlines, and how to stay compliant while avoiding penalties. With expert insights from Qudi Accounting, this book demystifies the process, ensuring you manage your taxes with confidence and ease.

