






2026 ANNUAL NATIONAL BUDGET HIGHLIGHTS

Highlights

-  Gross tax revenue to top R2 trillion for the first time, with revenue collections increasing by 6%.
-  Economic growth forecasted at 1.6% for 2026 (2025: 1.4%).
-  Social wage (60%) and debt service costs (16%) still make up the bulk of the total budget expenditure, with social grant spending up approximately 10% from 2025.
-  Treasury has a savings goal of R12 billion, to be achieved through targeted savings strategies.
-  Around 640,000 individuals are responsible for 50% of personal income tax.

-  SARS' compliance drive has led to 1.3 million new taxpayers being registered in the last fiscal year, which has yielded tax revenue of R4.9 billion.
-  In the first three quarters of 2025/26, SARS has reduced overdue payments from R14.6 billion to R6.8 billion.
-  Despite the above, tax collection is still R15 billion short of the budgeted target.
-  Treasury to publish draft regulations under the Currency and Exchanges Act to include crypto assets in its capital flow management regime.

Tax Focus

- No "stealth" taxes through inflationary increases in tax brackets.
- Treasury continues to focus on abuse through the use of collective investment schemes.
- Public participation processes underway for a 20% gambling tax amid outcries from role players.
- Interest remission proposed as part of VDP applications.

Monetary Amendments

- Personal income tax brackets (and sin taxes) increased with inflation;
- Compulsory VAT registration threshold increased from R1 million to R2.3 million;
- Voluntary VAT registration threshold increased from R50 000 to R130 000;
- Donation tax exemption for natural persons up from R100 000 to R150 000;
- Primary residence exclusion up from R2 million to R3 million;
- Annual exclusion for CGT increased from R40 000 to R50 000.