

Section 18A of the Income Tax Act, 1962:

Section 18A(1) of the Act provides for a deduction of donations in the form of cash or certain types of assets made, inter alia, to PBOs approved under section 30(1), provided that the donor is in possession of a valid receipt and it does not exceed 10% of taxable income

This means that:

- Donations in general attract a 20 % tax liability.
- Certain donations are however exempt and claimable as tax deductions by the donor when made to registered and approved organisations.
- The University of Pretoria is an approved institution for purposes of Section 18(A) of the Income Tax Act and donations to this institution are tax deductible in the hands of the donors as prescribed.
- The implications of this are that unconditional donations to the University of Pretoria by a donor, which can be in cash or in kind (such as assets), qualify as a tax deductible expense by the donor - if limited to 10% of the donor's taxable income.
- The University will, in its capacity as donee, issue the necessary Section 18(A) Tax certificate annually, usually during April of any given year.
- This document will serve as receipt and will entitle the donor to claim a deduction on their tax return by submitting the tax certificate together with their documents to SARS before the annual tax submission deadline.