



SELLING A PORTION OF AN ASSET TO TAX A CAPITAL GAIN

The procedure below shows how to tax a capital gain where its not necessary to submit the statement of assets on the tax return where a portion of an assets is sold.

In the example below the taxpayer has an asset portfolio of R1,000,000 which they acquired some time back and then sells 40% of the portfolio. In order to handle the capital gain position of the sold portion the asset portfolio it should be split from the remaining assetson Sky. The remaining or unsold assets to be shown separately and the sold assets to be transferred to a new account to process the transaction. We show the portfolio as one asset on the statement of account even though there may be multiple shares. The detail of the assets should be kept in a spreadsheet and stored against the taxpayer.

IT12 INPUT IT12 A & L

CLIENT SELECT

Code	Description	Tax No
GATES	GATES WILLIAM	0658871199

ASSETS & LIABILITY Assets & Liabilities

Assets and Liabilities Maintenance

A&L Code: A100
 Description: SHARES
 Source Type: A022 Financial instruments - listed shares, unit t Local
 Date Acquired: 24/05/2019
 Cost: 1,000,000.00

Adj Date	Remark	Amount
24/02/2020	PORTION SOLD	-400,000.00

Date Sold:
 Nett: 600,000.00
 Sale Amount:
 Profit: .00

Capital Gains

Source Code:

Primary Residence Held in Partnership
 Held Jointly Partnership Perc: .00

Base Cost Date: CGT Amount: .00
 Base Cost: .00 CGT FTC: .00
 Other Exclusions(excl. annual exlusions):

Transfer the value of the cost amount to a new asset.

This is the cost of the asset class remaining.

In the above screen the portfolio has been reduced by R400,000 and we create a new asset at a cost of R400,000 and the asset portfolio left over remains at R600,000.

CLIENT SELECT Client Select

Code	Description	Tax No
GATES	GATES WILLIAM	0658871199

ASSETS & LIABILITIES Assets & Liabilities

Assets and Liabilities Maintenance

GATES GATES WILLIAM

Current Tax Year 2020

Code	Description	Date Acqui...	Cost	Adjustments	Nett	Date Sold	Sale Amount	Source Code	...
A100	SHARES	24/05/2019	1,000,000.00	-400,000	600,000.00			A022 Financial instr	1
A200	SHARE PORTFOLIO SOLD	24/02/2020	400,000.00	0	.00	24/02/2020	1,000,000.00	A022 Financial instr	1

Nett 600,000.00

Date Sold

Sale Amount

Profit .00

Capital Gains

Source Code

Primary Residence Held in Partnership

Held Jointly Partnership Perc .00

Base Cost Date

Base Cost .00 CGT Amount .00

CGT FTC .00

Other Exclusions(excl. annual exlusions)

There are now 2 asset classes, one remaining and the asset class that is to be sold

The screen below shows the sale of the assets of R400,000 for R1,000,000 making a profit of R600,000. Enter the sale details and the base cost in the screen below.

IT12 INPUT IT12 A & L

CLIENT SELECT Client Select

Code	Description	Tax No
GATES	GATES WILLIAM	0658871199

ASSETS & LIABILITIES Assets & Liabilities

Assets and Liabilities Maintenance

A&L Code: A200
 Description: SHARE PORTFOLIO SOLD
 Source Type: A022 Financial Instruments - listed shares, unit t Local
 Date Acquired: 24/02/2020 Cost: 400,000.00

Adj Date	Remark	Amount

Date Sold: 24/02/2020

Nett	400,000.00
Sale Amount	1,000,000.00
Profit	600,000.00

Capital Gains Source Code: 6506 GAIN: Financial instruments-listed, including ass

Primary Residence Held in Partnership
 Held Jointly Partnership Perc: .00

Base Cost Date: 24/02/2020 CGT Amount: 600,000.00
 Base Cost: 400,000.00 CGT FTC: .00
 Other Exclusions(excl. annual exlusions):

Complete this part as shown. Ensure that you have selected the source code fr this.

The asset screen below shows the assets remaining after the sale.

IT12 2020

Particulars of Taxpayer
Client Code: GATES|GATES WILLIAM
Id/Reg No: Tax Number: 0658871199

Year	Total Income	Total Deducti...	Taxable Inco...	Total Tax	Tax Credits	Due by/to Y...	Status	Submitted	SARS Status	Asse...
2020	2,600,000.00	.00	2,224,000.00	843,621.00	.00	843,621.00	CREATED			
2018	.00	.00	.00	.00	.00	.00	SUBMITTED	05/11/201	AF FINDINGS LETTER	
2017	798,000.00	.00	798,000.00	219,335.00	135,380.00	83,955.00	AUTO ASSESSED	15/08/201	AC AUTOCOMplete	

If not necessary to file the statement donot tick this checkbox.

TAIT12CAPRECO... Calculation Income Deductions Demographics Gen Info Capital Recon

Are you a director of a company / member of a close corporation?

Asset Description	Local Amt	Foreign Amt
Financial Instruments - listed shares, unit trust	600,000.00	.00
Total Assets	600,000.00	.00

Liability Description	Local Amt	Foreign Amt
Total Liabilities		
Nett Assets	600,000.00	.00

Assets and Liabilities reviewed for Submission

Exempt Income	
Total Income	2,600,000.00
Non Deductibles	0
Tax Payments	.00
+ Other	
Nett Income	2,600,000.00
Nett Assets at Beginning	.00
+ Adjustments	-400,000.00
+ Acquisitions	1,400,000.00
- disposals	400,000.00
+ Other	
Nett Assets at End	600,000.00
Nett Income	2,600,000.00
- Asset movement	600,000.00
Living Expenses	2,000,000.00
Monthly	166,666.67

This screen shows the assets after the sale of the portion that sold.

The screen below shows the end result of the capital gain with the taxable amount being included in the tax calculation.

IT12 2020

Particulars of Taxpayer
Client Code: GATES|GATES WILLIAM
Id/Reg No: Tax Number: 0658871199

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TAX CALCULATION Tax Calculation Income Deductions Demographics Gen Info Capital Recon e-filing Documents Correspondence

Income Summary Deductions Summary Tax Calculation

Tax Year 2020 Days 366 Deceased Age

Total Income	2,600,000.00
Exempt Income	376,000.00
Total deductions	.00
Taxable Income	2,224,000.00
Normal Tax (A)	857,841.00
Rebate (B)	14,220.00
Medical Credit (C)	.00
Nett Normal (A-B-C+D)	843,621.00
Additional Tax	.00
Total Tax Payable	843,621.00
Tax Credits	.00
89 Quat Interest	.00
Nett Dr/Cr	843,621.00
Balance of Account	.00
Tax Due	843,621.00

Lump Sums >>

Prev Years
This year
Tax (D)

Capital Gains >> Excl From Comm Estate

Loss b/fwd
Current Year
Exclusions
Nett
Taxable

This Year	37.933	Last Year	.000
Average Rate			
Marginal Rate	45.000		.000

Invoice

