

Dear Client / Geagte Kliënt

## Newsletter

28 Februarie 2017 sal voortaan as 'n rooiletter dag in die geskiedenis van VZK bekend staan. Dit is omdat klein Milan Kruger gebore is kort voor middernag. Aan Eberhard en Janine ons hartlike gelukwense en dank en eer aan ons Hemelse Vader vir so 'n wonderlike geskenk.

We can't wait to meet her and will keep a keen interest in her development over time, she being the first baby to be born to any member of our firm since we opened our doors. We can't imagine how Eberhard is coping with everything and request that our clients show a little empathy for the man. He should be up and rearing to go within days.

28 February is of course, as we all know, also the end of the financial year for most of us. After having been bombarded with so many articles, positions and advice associated with the recent budget speech of minister Pravin Gordhan last week and having had to field several enquiries as to how it will impact companies and individuals regarding Capital Gains and Dividend Taxes as well as the issues surrounding loans to trusts especially how it impacts on provisional tax returns, an email landed in my inbox under the heading:

### THE TAX SYSTEM EXPLAINED IN BEER

by David R. Kamerschen, Ph.D. Professor of Economics.



Die betrokke epos verhaaltjie is nie heeltemal nuut nie en het al voorheen die rondte gedoen, maar dit is regtig die moeite werd om dit tog weer te lees – al is dit net om weer bietjie perspektief te kry en om te besef dat ons staatsbestel geleidelik, maar seker, besig is om in 'n sosialistiese stelsel te verander. Hoe meer van ons dit besef, hoe gouer is die kans, dat daar nog iets daaraan gedoen kan word.

Hier is dit:

*"Suppose that every day, ten men go out for beer and the bill for all ten comes to \$100... If they paid their bill the way we pay our taxes, it would go something like this...*

*The first four men (**the poorest**) would pay nothing. The fifth would pay \$1. The sixth \$3. The seventh \$7. The eighth \$12. The ninth*

\$18. The tenth man (**the richest**) would pay \$59. So, that's what they decided to do.

The ten men drank in the bar every day and seemed quite happy with the arrangement, until one day, the pub owner made an offer: "Since you are all such good customers," he said, "I'm going to reduce the cost of your daily beer by \$20."

Drinks for the ten men would now cost just \$80. The group still wanted to pay their bill the way we pay our taxes. So, the first four men were unaffected. They would still drink for free. But what about the other six men? How could they divide the \$20 windfall so that everyone would get his fair share?

They realized that \$20 **divided by six** is \$3.33. But if they subtracted that from every body's share, then the fifth man and the sixth man would each **end up being paid** to drink his beer.

So, the bar owner suggested that it would be fair to reduce each man's bill by a higher percentage the poorer he was, to follow the principle of the tax system they had been using, and he proceeded to work out the amounts he suggested that each should now pay.

And so the fifth man, like the first four, now paid nothing (**100% saving**).

The sixth now paid \$2 instead of \$3 (**33% saving**).

The seventh \$5 instead of \$7 (**28% saving**).

The eighth \$9 instead of \$12 (**25% saving**).

The ninth \$14 instead of \$18 (**22% saving**).

The tenth \$49 instead of \$59 (**16% saving**).

**Each of the six was better off than before. And the first four continued to drink for free.**

But, once outside the bar, the men began to compare their savings. "I only got one dollar out of the \$20 saving," declared the sixth man. He pointed to the tenth man, "**but he got \$10!**"

"Yeah, that's right," exclaimed the fifth man. "I only saved a dollar too. It's unfair that he received ten times more benefit than me!"

"That's true!" shouted the seventh man. "Why should he get \$10 back, when I got only \$2? **The wealthy get all the breaks!**"

"Wait a minute," yelled the first four men in unison, "we didn't get anything at all. **This new tax system exploits the poor!**"

**The nine men surrounded the tenth and beat him up.**

The next night the tenth man didn't show up for drinks, so the nine sat down and had their beers without him. But when it came time to pay the bill, they discovered something important: They didn't have enough money between all of them for even half of the bill!

And that, boys and girls, journalists and government ministers, is how our tax system works. The people who already pay the highest taxes will naturally get the most benefit from a tax reduction. **Tax them too much, attack them for being wealthy, and they just may not show up anymore.** In fact, they might start drinking overseas, where the atmosphere is somewhat friendlier.

- David R. Kamerschen, Ph.D. Professor of Economics.

**For those who understand, no explanation is needed.**

**For those who do not understand, no explanation is possible."**

For those of you that already know the story we promise to come up with something fresh and more original next time!

Miskien is die datum van Milan se geboorte 'n duidelike bewys van Eberhard se vermoëns met betrekking tot belasting beplanning. Hy het die "deadline" letterlik met 'n uur of wat gemaak om haar in die vorige belastingjaar geregistreer te kry! Welgedaan!

Ons groet en vertrou dat die 2018 belastingjaar voorspoedig sal wees en dat die belasting wat betaal sal moet word goed benut sal word deur dié wat beheer het daarvoor om 'n gunstige en veilige klimaat te skep sodat ons belasting betalers vorentoe nog fluks sake sal kan doen in ons mooi land.

Regards / Groete

**Hennie van Zyl en Eberhard Kruger**



## Eiendomsagente – 'n Eenvoudige fout en kommissie van 10% is daarmee heen

'n Onlangse saak in die Hoogste Hof van Appél handel oor 'n eenvoudige fout met 'n eiendomsagentskap se Getrouheidsfondssertifikaat – met 'n 'n verlies aan kommissie van duisende rande.

Moet nie in dieselfde strik trap nie.....

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**Facebook Revenge: The Defamation Danger**



In the heat of an argument you may be tempted to retaliate with a Social Media post attacking your opponent.

The dangers of doing so were highlighted in a High Court case which featured warring neighbours, noisy chickens, smelly rabbits, and a “peeping tom” slur.



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## Hoe kan jy jou ontwykende skuldenaar se bates bevries?

Piet Verdriet skuld jou 'n groot klomp geld, maar hy het 'n magdom redes waarom dit nie betaal kan word nie. Daar is verskeie navrae en dan leë beloftes en dan versoeke om uitstel. Wanneer jy dagvaar om die skuld in te vorder word die saak teengestaan en ten alle koste vertraag.

Indien hy dit doen om tyd te wen om sy bates van die hand te sit, kan jy hom in sy spore stuit.....

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## Changes brought about by The Sectional Titles Schemes Management Act and The Community Schemes Ombud Service Act

Two new acts came into effect on 7 October 2016, namely The Sectional Titles Schemes Management Act 8 OF 2011 (“STSMA”) and The Community Schemes Ombud Service Act 9 OF 2011 (“CSOSA”), affecting sectional title schemes, although the full extent of the application and interpretation of the acts are yet to be tested...



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