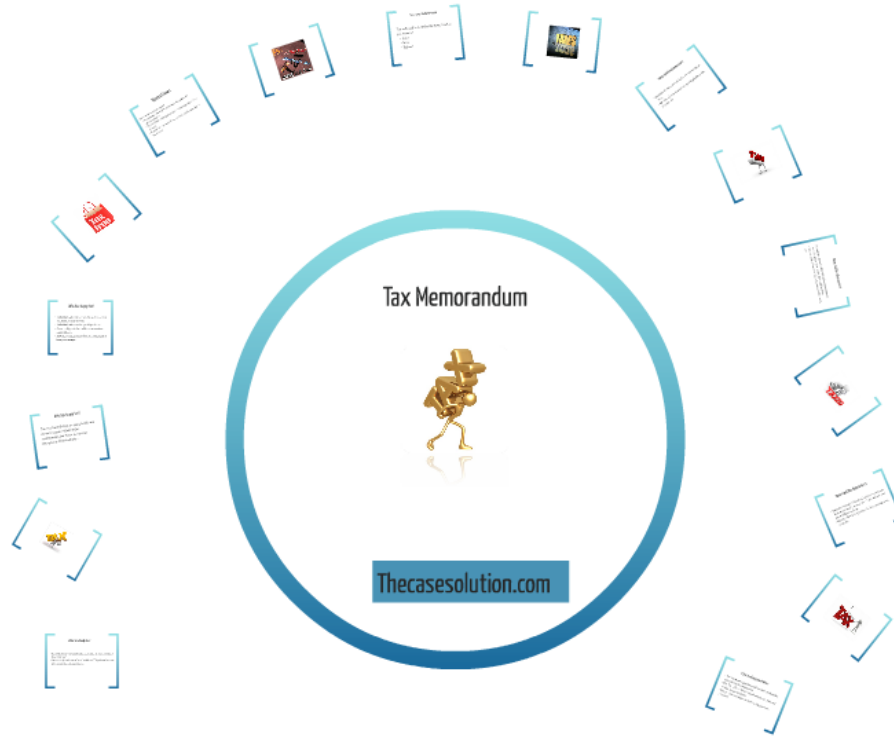


Taxation



Tax Memorandum



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What is actually tax?

- Tax is the money (revenue) collected, to fund services provided by the government.
- Some examples of taxes collected include: GST (goods and services tax); income tax, company tax, etc.



Who has to pay tax?

Tax is collected from us, people who use the services provided by the government, but there are certain exceptions. They include...

Who has to pay tax?

- Individuals whose income is below the tax free threshold (below 18 000);
- Individuals who receive special pensions;
- Certain religious, charitable and educational organizations.
- Any other organizations that are categorized as being tax exempt.



Types of taxes

There are three types of taxes:

- Progressive – the higher the income, the higher the percentage paid;
- Proportional – same percentage is levied, regardless of the income;
- Regressive – the same dollar amount is paid, regardless of the income;