Donations Tax

What's New?

14 May 2025 – Easier Submission for Donations Tax and Withholding Tax on Royalties

We are delighted to announce that SARS is enhancing its services to make it easier for you to file Donations Tax and Withholding Tax on Royalties tax declarations. You can now file these declaration forms and supporting documents online through the SARS Online Query System (SOQS) (https://www.sars.gov.za/individuals/i-need-help-with-my-tax/use-our-digital-channels/), available 24/7 on the SARS website.

SOQS is designed to simplify your tax affairs, allowing you to manage everything remotely without the need to visit our branches. This digital platform supports our strategic objective to modernise and digitise our services, making tax compliance more convenient for you.

7 March 2025 — Donations Tax declaration form (IT144)

A donation is any complimentary disposal of property, including any free waiver or giving up of a right. The current rate is 20% if it is below R30 million, and 25% over R30 million. After donating, the donor needs to complete and submit a Donations Tax declaration form (IT144) to SARS. For the conditions, exemptions, how to and more, scroll down on this webpage.

It has been noted that taxpayers are experiencing challenges when completing the current IT144 form. In line with SARS's Strategic Objective 1, "Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations", SARS has published the previous PDF version of the form to be used until the enhancements have been made.

The version to be used immediately is published on this webpage, scroll down under Related Documents or see the direct link here IT 144 Declaration by donor/donee form. (https://www.sars.gov.za/wp-content/uploads/Donationstax/IT144-Declaration-by-Donor-External-form.pdf)

What is it?

A donation is any gratuitous (free or at no charge) dispo ... tuitous waiver or renunciation of a right. If the person (donee) rece... anything in return, it is not a donation.

A donation takes effect when all legal formalities for a valid donation have been complied with (section 55(3)).

Donations Tax Rate

For the month of February 2018 and prior months, it is a flat rate of 20%.

From 1 March 2018, donations tax is levied at a rate of 20% on the aggregated value of property donated not exceeding R30 million, and at a rate of 25% on the value exceeding R30 million (section 64(1) (http://sars.mylexisnexis.co.za/)). Take note of the following –

- in determining the R30 million threshold, the aggregate value of property donated commences from 1 March 2018 to date of current donation. Any donations made prior to 1 March 2018 must not be taken into account;
- the aggregate value of property to determine the R30 million threshold is calculated after deducting any exemptions (s56);
- where the donor has exceeded the R30 million threshold, all subsequent donations will be taxed at the rate of 25%.

Exemptions

There are four (4) categories of exemptions –

Category One

Certain donations are completely exempt from donations tax.

For example, a donation made to a spouse; an approved public benefit organisation; any sphere of government; that is cancelled within six (6) months from the date that it took effect; etc (section 56(1)).

Category Two

In the case of a donor who is not a natural person (for e... companies and Tr... the exemption is limited to casual gifts not exceeding R20 00... 6(2) (a)).

Category Three

The first R150 000 of property donated in each year of assessment by a natural person is exempt from donations tax (section 56(2)(b)).

Category Four

So much of any bona fide contribution made by the donor towards the maintenance of any person. This exemption is limited to what the Commissioner considers reasonable (section 56(2)(c)).

Who is liable for donations tax?

Donations tax applies to any person (for example: individual, company or a Trust) that is a **resident**. Hence, non-residents are not liable for donations tax.

The person making the donation (donor) is liable to pay the donations tax, however if the donor fails to pay the tax within the payment period the donor and donee are jointly and severally liable (section 59).

The Commissioner may at any time raise an assessment on the donor or donee (or both) for the donations tax. Including where the Commissioner is satisfied that the full amount of donations tax was not paid, raise an assessment for the difference. The payment by either the donor or donee will discharge this joint liability (section 60(5)).

What steps must I take?

After making a donation you should complete the donation [illegible] Declaration by donor / donee) and submit it to your near[illegible] your proof of payment. Alternatively the IT144 declaration form can be submitted via the LBI email addresses on the LBI Relationship Management webpage (https://www.sars.gov.za/businesses-and-employers/large-business-and-international/relationship-management/) for Large Business clients or hnwiqueries@sars.gov.za (mailto:hnwiqueries@sars.gov.za) for High net worth (HNW) clients. For clients that are not large business, the IT144 return form and any supporting documents can be sent to contactus@sars.gov.za (mailto:contactus@sars.gov.za) for taxpayers or PCC@sars.gov.za (mailto:PCC@sars.gov.za) for Tax Practitioners.

When should it be paid?

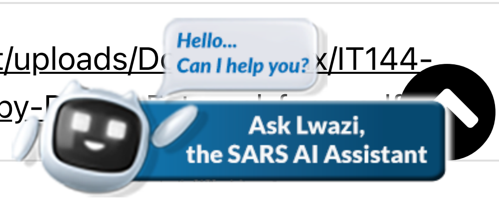
Donations tax must be paid by the end of the month following the month during which the donation takes effect or such longer period as SARS may allow (section 60(1)).

How should it be paid?

Donations tax can only be paid via eFiling. Click here for more information on how to process an additional payment on eFiling. (https://www.sars.gov.za/individuals/how-do-i-pay/efiling-payments-credit-push/)

Related Documents

- Legal-Pub-Guide-Gen02 – Guide for Tax Rates Duties Levies → (/wp-content/uploads/Ops/Guides/Legal-Pub-Guide-Gen02-Guide-for-Tax-Rates-Duties-Levies.pdf)
- IT-AE-36-G02 – Comprehensive Guide to the Income Tax return for Trusts – External Guide → (/wp-content/uploads/Ops/Guides/IT-AE-36-G02-Comprehensive-Guide-to-the-Income-Tax-return-for-Trusts-External-Guide.pdf)
- GEN-GEN-56-G02 – Submit Request for Reduced Assessment RRA02 via eFiling for Company or Trust – External Guide → (/wp-content/uploads/Ops/Guides/GEN-GEN-56-G02-Submit-Request-for-Reduced-Assessment-RRA02-via-eFiling-for-Company-or-Trust-External-Guide.pdf)
- IT144 – Declaration by Donor – External form → (/wp-content/uploads/D x/IT144-Declaration-by-



[LAPD-IT-G24 – Guide on Mutual Agreement Procedures](/wp-content/uploads/Ops/Guides/LAPD-IT-G24-Guide-on-Mutual-Agreement-Procedures.pdf) → (/wp-content/uploads/Ops/Guides/LAPD-IT-G24-Guide-on-Mutual-Agreement-Procedures.pdf)

[LAPD-IT-G19 – Comprehensive Guide to Dividends Tax](/wp-content/uploads/Ops/Guides/LAPD-IT-G19-Comprehensive-Guide-to-Dividends-Tax.pdf) → (/wp-content/uploads/Ops/Guides/LAPD-IT-G19-Comprehensive-Guide-to-Dividends-Tax.pdf)

[LAPD-Gen-G08 – Guide on the Taxation of Professional Sports Clubs and Players](/wp-content/uploads/Ops/Guides/LAPD-Gen-G08-Guide-on-the-Taxation-of-Professional-Sports-Clubs-and-Players.pdf) → (/wp-content/uploads/Ops/Guides/LAPD-Gen-G08-Guide-on-the-Taxation-of-Professional-Sports-Clubs-and-Players.pdf)

Frequently Asked Questions

FAQ: What is Donations Tax? (https://www.sars.gov.za/faq/faq-what-is-donations-tax/)

Donations tax is payable on the total value of property...
Read More (https://www.sars.gov.za/faq/faq-what-is-donations-tax/)

FAQ: What happens when a disposal of property is considered "inadequate"? (https://www.sars.gov.za/faq/faq-what-happens-when-a-disposal-of-property-is-considered-inadequate/)

If any property has been disposed of for a consideration...
Read More (https://www.sars.gov.za/faq/faq-what-happens-when-a-disposal-of-property-is-considered-inadequate/)

Last Updated: 19/08/2026 12:47

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- Update Contact Details(https://secure.sarsefiling.co.za/app/forgotdetails/contactUpdate)
- Manage Tax Type Transfer(https://secure.sarsefiling.co.za/app/profileTaxType/taxTypeActivation)

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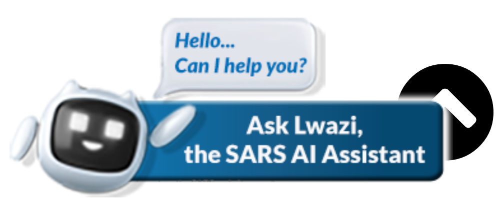

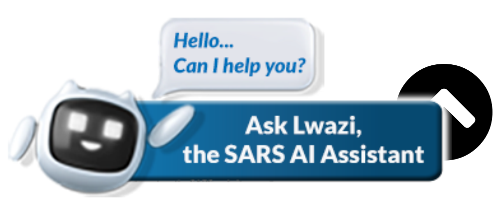
Hello...
Can I help you?
Ask Lwazi,
the SARS AI Assistant