

Tax Planning for Entrepreneurs

Maximizing Growth, Cash Flow & Compliance

Tax planning is the structured and lawful analysis of your financial affairs to minimize tax liability while remaining fully compliant. For entrepreneurs, it improves cash flow, preserves wealth, and supports long-term sustainability.

Is Tax Planning Legal?

Yes. South African law permits tax-efficient structuring where transactions are genuine and have commercial substance. However, SARS applies General Anti-Avoidance Rules (GAAR) to prevent artificial arrangements designed purely to evade tax.

Top Tax Planning Strategies for SMEs

- Income Splitting – Allocate income for legitimate services to benefit from lower tax thresholds (subject to attribution rules).
- Strategic Donations – Up to R100,000 per individual per year tax-free (R200,000 for spouses combined).
- Retirement Funding – Deduct up to 27.5% of income (capped at R350,000 annually).
- Capital Gains Tax Optimisation – Use annual R40,000 exclusion and plan disposals strategically.
- Tax-Free Investments – Invest up to R36,000 annually (lifetime R500,000) with zero tax on returns.
- Trust Distributions – Distribute income to beneficiaries to reduce overall tax burden.
- R&D Incentives – Claim enhanced deductions for qualifying innovation activities.
- Loan Account Management – Avoid deemed dividends and donations tax risks.
- Accurate Provisional Tax – Ensure estimates meet SARS thresholds to avoid penalties.
- Compliance Discipline – Maintain accurate records and timely submissions.

Tax planning is an ongoing strategic process.

VTN helps align your tax strategy with business growth, cash flow management, and long-term wealth creation. Our services include salary structuring and provisional tax management.