

Supreme Court of Appeal of South Africa

MEDIA SUMMARY– JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

Date: 20 November 2018

Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

Milnerton Estates Ltd v CSARS

The SCA today dismissed an appeal by the tax payer, a property developer, against the inclusion in its taxable income of amounts in respect of sales of stands in a township, where the sales occurred in one tax year and transfer of the stands and payment of the purchase price in the following tax year. All suspensive conditions attaching to the sale agreements had been fulfilled in the year in which the sales were concluded and possession had either been given to the purchasers or they were entitled to possession.

The court held that the matter was covered by the provisions of s 24(1) of the Income Tax Act 58 of 1962. That deemed the whole of the purchase price to have been received in the year in which the sale agreements were concluded. That had been the decision of the court in *Secretary for Inland Revenue v Silverglen Investments (Pty) Limited* 1969 (1) SA 365 (A) and the SCA held that it was bound by that decision. No argument was advanced to justify the court departing from its previous decision.