Why is Sars changing the tax season deadline?

By Vincent Radebe

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There's one month to go until the traditional tax filing season opens, however, this year things will be a bit different.

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Taxpayers will have until 31 October to submit their tax returns, which is three weeks shorter than usual and will increase efficiency according to acting South African Revenue Services (Sars) commissioner, Mark Kingon.

"A shorter filing season allows additional time for Sars, taxpayers and the tax fraternity to deal with return verifications before most taxpayers go on the December holiday break. Often there are delays with taxpayers having to respond to our queries and requests over the holiday break. The quiet period after the first three months of tax season has now been removed resulting in efficient use of our resources," Kingon put forward as rationale for the alteration.

Analysis and findings

Sars analysed the data derived from the high volumes of taxpayer visits to their various branches, the reason for the visits, who was filing returns and which filing medium they were using. It was found that:

- There is an inundation of people going to file at a branch while they are not required to do so.
- Many returns are being filed for prior years.
- Registered eFilers are unnecessarily filing at branches.
- Tax practitioners who primarily file via eFiling are using branches to file taxpayers' returns, to name but a few.

The three-week cut is one of the revenue service's initiatives to provide effective, transparent, professional and fair service to all taxpayers. The alteration in the tax season will further streamline audit processes to reduce volumes, allow the receiver of revenue, taxpayer and tax practitioners to deal with return verifications before the December holiday break, and result in a more timeous pay-out of refunds to taxpayers.

Who will be impacted?

Sars does not require natural persons to file an income tax return if, at the very least, their annual gross income consists solely of remuneration from a single source (i.e. employer) which does not exceed R350,000 and PAYE has been withheld accordingly. However, Sars has been known to raise an assessment based on an estimate or refrain from paying out a refund due to non-submission of a return which was below the above-mentioned R350,000 limit.

The change will impact all individual taxpayers who are non-provisional taxpayers using the eFiling platform, and provisional taxpayers who file their returns at a branch. Failure to submit a tax return within the deadline may just lead to the possible imposition by Sars of administrative non-compliance penalties.

ABOUT THE AUTHOR

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