



SARS Operations and eFiling

SAIT Webinar
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YOUR KEY TO THE TAX COMMUNITY

Anchors:

- **Yolisa Dyasi** – (Tax Technical Consultant at SAIT)
Yolisa is the Tax Technical Consultant at SAIT. She is responsible for management of the SAIT Tax Technical Helpline, SARS escalations and SARS operational submissions.
- **Cecile Bothe** – (Consultant at SAIT)
Cecile Bothe is Consulting to SAIT (ex SARS) with 44 years of experience at SARS. Specialises in Income Tax, Provisional tax, Deceased and insolvent estates, Donations Tax and Estate duty.

Anton Krynauw – Managing Director Krycom (Pty) Ltd

Anton Krynauw has been involved with eFiling and e@syFile since April 2002. Krycom was established in 2012, to focus on assisting, accountants, corporate clients as well as individuals, with their eFiling and e@syFile technical queries.

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Agenda:

This session will contain a brief overview of SARS Operations, reporting and eFiling including the following aspects:

- ❖ General SARS Ops updates
 - ✓ Important filing, payment and/or reporting dates
 - ✓ Challenges in the SARS Operational space
 - ✓ New procedures, systems and SARS implementations
 - ✓ Relevant legislative interpretation and new legislation and/or regulation
- ❖ Expert Corner; and
- ❖ Question and Answer Session

Important filing, payment and/or reporting dates

Important filing, payment and/or reporting dates

Income Tax	07/07/2023	Opening of Filing Season 2023
Value-Added Tax	25/07/2023	Manual VAT201 submissions and payments
Value-Added Tax	31/07/2023	Electronic VAT201 submissions and payments
Employment Taxes	07/08/2023	EMP201 submissions and payments

Challenges in the SARS Operational space

Challenges experienced with the Corporate Tax Return following implemented upgrades

- **An error message being displayed when the ITR14 is requested on eFiling:** Several cases have been reported where an error message indicating that the return type requested is incorrect is displayed. In the cases investigated, although a ITR14 return was requested, the error message displayed states that “You are requesting an Exempt Institution return, however the entity is registered as a COMPANY”.
- **The ITA34C not being issued after the submission of the return and mandatory supporting documents:** Historically, an assessment would be issued on eFiling within the hour of submitted an ITR14 and mandatory supporting documents, where required. Since 27 June 2023, the notice of assessment has not been issued on eFiling, with an error message stating “Your request could not be processed at this time”.

Automatic deactivation of SDL on the EMP201 return

- Systematic deactivation of the SDL liability tab on the EMP201 return.
- In the cases investigated, the SDL had been active for months or even years prior to its deactivation while the taxpayer still met the R500 000 payroll threshold.

New procedures, systems and SARS implementations

Pay-as-you-earn (PAYE) underestimation penalties

Admin Penalty Imposition:

- According to paragraph 14(7) to the Fourth Schedule of the Income Tax Act, if the total amount of employees' tax deducted or withheld, or which should have been deducted or withheld for the period is unknown, the Commissioner may estimate the total amount based on information readily available and impose the penalty under subparagraph (6) on the amount so estimated.
- The penalty under subparagraph (6) would be a monthly penalty of 10% of the total estimated employees' tax amount.

Admin Penalty Adjustment:

- Paragraph 14(8) further states that where, upon determining the actual employees' tax of the person in respect of whom the penalty was imposed under subparagraph (7), it appears that the total amount of employees' tax was incorrectly estimated under subparagraph (7), the penalty must be adjusted in accordance with the correct amount of employees' tax with effect from the date of the imposition of the penalty under subparagraph (6).

SARS' modernisation drive

- **Migration of the Section 93 request to eFiling** - On 20 June 2023, SARS announced that the Section 93 Revision request process had been changed. The new process will use a form called RRA01, which the taxpayer will be able to complete and submit it on eFiling. SARS believes that this new process will be more efficient and reduce costs for taxpayers.
- **Interface with the Department of Home Affairs to verify a taxpayer's marital status** - On 20 June 2023, SARS announced the roll out of the first phase of this project. In the first phase, SARS will now be able to positively confirm a taxpayer's marital status and whether they are married in or out of community of property. Where a taxpayer is married in community of property, the interest income received for the 2023 year of assessment will be pre-populated on both spouses' income tax returns and appropriated 50/50 per spouse upon assessment.
- **Other initiatives on the way** - Future intentions of collecting accounting data directly from the various accounting systems. This would allow for the collection of real-time transactional information and realise the possibility of having VAT returns automatically captured based on the information collected from the accounting systems.

Procedure to follow when communicating with SARS Estate division

An executor or representative authorised to engage with SARS on an estate matter should take note and adhere to the below guidelines when communicating with SARS to prevent any unnecessary delays in finalising a case:

- **Email queries:** Always include the deceased's ID number, tax reference number or the estate number in the email correspondence to SARS.
- **Use of case number:** When an estate is reported to SARS (via the online channels or email) a case number is automatically provided. This case number will also be reflected on the engagement letter that is issued to the executor once the estate is coded at SARS. All future correspondence with SARS (via the online channel or email) should include the initial case number to ensure all queries on a case are linked.
- **Uploading of supporting documents:** When uploading documents, the initial case number must be used and each document must be named correctly, for example, Death certificate, ID of the deceased, ID of the executor, etc.

Updated Confirmation of Disability Diagnosis (ITR-DD) form now available

- On 29 June 2023, SARS issued the updated Confirmation of Disability form ([ITR-DD form](#)). Minor changes were made to the form and is now easier to complete. Additionally, the form now has a unique number at the bottom of the page to precisely distinguish and provide reference to the taxpayer.
- Taxpayers with a current valid ITR-DD form do not have to get a new ITR-DD with the new form as the new form will only apply to new applicants going forward.
- Members can read more on the allowable expenses for persons with disabilities in the [SAIT advisory](#)

Relevant legislative interpretation and new legislation and/or regulation

Persons required to submit third-party returns	Returns required to be submitted	Due date for submitting a third party-return
<p>A person referred to in section 18A(1)(a) to (c) of the Income Tax Act, that issued a receipt in terms of section 18A(2) of the Act.</p>	<p>Any amount donated to an entity listed in paragraph 2.14 for which a section 18A receipt has been issued and all information required to be included on the section 18A receipt.</p> <p>IT3(d); or Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission.</p>	<p>Persons who must submit a return for the first time as a result of the notice are not required to submit a return for the period from 1 March 2023 to 31 August 2023.</p>
<p>A 'trust' as defined in section 1 of the Income Tax Act, that is a 'resident' as defined in that section, or a non-resident that is required to submit an annual income tax return, excluding:</p> <ul style="list-style-type: none"> • A Collective Investment Scheme as defined in the Collective Investment Schemes Control Act, 2002, a 'portfolio of a collective investment scheme' and any 'portfolio of a hedge fund collective investment scheme'; and • An Employment Share Incentive Scheme Trust. 	<p>Any amount vested in a beneficiary including income (nett of expenditure), capital gains and capital amounts.</p> <p>IT3(t); or Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission.</p>	<p>All prescribed information in respect of the period from 1 March to the end of February must be submitted by 31 May of each year.</p>

Expert Corner

Navigating and Optimising your eFiling Functionalities

LIVE DEMO

ITR12 Enhancements

Foreign Income Disclosure:

- SARS introduced a foreign income container on the return for taxpayers who must declare worldwide foreign income. However, it was noted that taxpayers who must declare income sourced from a foreign employer while working in South Africa and/or abroad did not have an appropriate source code to declare remuneration for foreign service rendered income.

R	Other – Loss (Excluding Rental from the letting of fixed property(ies))	4229
R	Income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(ii) exemption does not apply	4298
R	Income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(i) exemption applies	4299
R	Income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(i) exemption does not apply	4304
R	Other Foreign Tax Credits (excluding Rental from the letting of fixed property(ies) and Income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(ii) exemption applies)	4111
R	Income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(ii) exemption applies	4259
R	Foreign Tax Credit on income received from foreign employment services not reflected on a South African IRP5/IT3(a) certificate, subject to tax outside RSA and the s10(1)(o)(ii) exemption applies	

ITR12 Enhancements

Spouses married in community of property assessment:

- Taxpayers who are married in community of property are taxed on half of their interest, dividends, rental income, and capital gains. For Filing Season 2023, SARS has retrieved “Married in community of property” status from taxpayer’s previous declaration and collaborated with the Department of Home Affairs to confirm marital status. Where the spouses are successfully matched and have interest investments, SARS will replicate the interest investment certificate on both spouses’ return where they will be taxed 50% upon assessment.

Taxpayer Information			
Personal Details			
Surname		First Name	Other Name
Initials	Date of Birth CCYY/MM/DD	ID No.	Passport No.
Passport Country	Passport Issue Date CCYY/MM/DD	Marital Status	
Spouse Details			
Initials	ID No.	Passport No.	
Passport Country			

EXAMPLE

ITR12 Enhancements

Spouses married in community of property assessment:

- Some taxpayers married in community of property may also opt to exclude certain income from the communal estate. From the 2023 year of assessment, the taxpayer can select the communal estate indicator for each institution from which the income was received.

Local Interest (excluding SARS Interest)

Mark with an "X" if you were physically absent from RSA for at least 182 days (or 183 days in a leap year) during the 12 month period preceding the date in which the interest was received? ☐

R Interest Exempt in terms of s10(1)(h) (amount must be included in the local interest amount) ☐

R Allowable interest expenses incurred in the production of interest received ☐

R Local Interest (excluding SARS Interest) 4201

Institution	Account No.	Amount	
Institution	Acc No.	R Amount	Mark here with an "X" if this amount should be excluded from the communal estate (if married in community of property) <input type="checkbox"/>
Institution	Acc No.	R Amount	Mark here with an "X" if this amount should be excluded from the communal estate (if married in community of property) <input type="checkbox"/>
Institution	Acc No.	R Amount	Mark here with an "X" if this amount should be excluded from the communal estate (if married in community of property) <input type="checkbox"/>

Add

ITR12T Enhancements

A Simplified Return for Passive Trusts:

- To provide for a less cumbersome return, where limited trust specific activities occurred during the year of assessment, the wizard will provide guidance in this regard. The taxpayer must ensure that the correct 'type' of return is selected on the first page of the tax return (Income Tax Return Wizard).

Passive Trust

Is the Trust passive?

Y ☐ N ☒

Did the trust become passive during the year of assessment?

Y ☐ N ☐

Questions



Thank you