



SARS operations and eFiling

SAIT Webinar
9 February 2023

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.

Guest

- Cecile Diedricks – (Consultant at SAIT)

Cecile Diedricks is a Consultant to SAIT (ex SARS) with 22 years of experience at SARS. Specialises in Income Tax, Provisional tax, Employees Tax and SARS Tax systems and processes.

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
 - ✓ Current challenges in the SARS operational space
 - ✓ New procedures, systems and SARS implementations
 - ✓ New matters affecting the tax practice management
- ❖ Expert Corner; and
- ❖ Question and Answer Session

Important filing, payment and/or reporting dates

Important filing, payment and/or reporting dates

Value-Added Tax	24/02/2023	Manual VAT201 submissions and payments
Value-Added Tax	28/02/2023	Electronic VAT201 submissions and payments
Income Tax	28/02/2023	Submission of 2022 ITR14 returns for companies with a February year-end
Income Tax	28/02/2023	2nd provisional (2023) submissions and payments for individuals, trusts and companies with a February year-end
Income Tax	28/02/2023	2023 closing odometer reading for logbook purposes
Turnover Tax	28/02/2023	2nd (2023) payments for micro-businesses registered for turnover tax
Employment Taxes	07/03/2023	EMP201 submissions and payments

Current challenges in the SARS operational space

Erroneous imposition of administrative penalties

- Taxpayers who were auto-assessed in July 2022 and who subsequently submitted the income tax return before 24 October 2022.
- After the reversal/remittance of administrative penalties previously erroneously levied by SARS in November 2022.
- Taxpayers who did not meet the income threshold and were identified as “Persons not required to submit an income tax return”
- Deceased estates, post death when the income tax returns were not required prior to the death of the deceased taxpayer.

Guide - How to dispute Administrative Penalties

Correction of Third Party Data

1. Non-responsive employers and funds
2. Lack of clarity and/enforcement of penalty consequences for third party data providers who need to correct IRP5/IT3 certificates
3. New ITR12 validations preventing the submission of the complete and accurate return

New procedures, systems and SARS implementations

New information to be provided on section 18A receipts

Schedule

1. General

In this notice, any term or expression to which a meaning has been assigned in a “tax Act” as defined in section 1 of the Tax Administration Act, 2011, has the meaning so assigned, unless the context indicates otherwise.

2. Further information required in terms of section 18A(2)(a)(vii) of the Income Tax Act

The following further information must be included on a receipt issued in terms of section 18A(2)(a) of the Income Tax Act:

- Donor nature of person (natural person, company, trust, etc.);
- Donor Identification type and country of issue (in case of a natural person);
- Identification or registration number of the donor;
- Tax reference number of the donor (if available);
- Contact number of the donor;
- Electronic mail address of the donor;
- A unique receipt number; and
- Trading name of the donor (if different from the registered name).



New matters affecting the tax practice management

Matters affecting the tax practice management

- Shortened Filing Season deadline
- Loadshedding
- Possibility of extensions?
- Penalties being levied for late submission



Expert Corner

Who is a provisional taxpayer

Misconceptions

- The activation of provisional tax on a taxpayer's eFiling profile;
- The submission of provisional tax returns; and/or
- The making of provisional tax payments;
- Being classified as a provisional taxpayer in the previous year of assessment.

Who is a provisional taxpayer

Requirements

- Deriving any amount, which does not constitute remuneration or an allowance or advance as contemplated in section 8(1) of the Act;
- Deriving income from the carrying on of any business;
- Deriving taxable income from interest, dividends, foreign dividends, rental from letting fixed property and remuneration from an employer that is not registered for employees' tax exceeding R30 000;
- Person who receives any remuneration from an employer that is not registered in terms of paragraph 15; or
- Notified by the SARS Commissioner that they are a provisional taxpayer.

When are provisional tax returns due?

- The first provisional tax payment must be made within six months of the start of the year of assessment. For years of assessment starting March, this will be 31 August, if it is a business day, or the last business day before that date if it falls on a Saturday, Sunday or public holiday.
- The second payment must be made no later than the last working day of the year of assessment. This will be last business day of February.

When are provisional tax returns due?

- The third payment is voluntary and may be made:
 - for companies with a year end of the last day of February, and any other person (other than a company), the last business day of September;
 - in any other case, within six months of the end of the year of assessment.

How to calculate amounts dues

- **The First Period:**

- Half of the total estimated tax for the full year;
- Less the employees tax for this period (6 months);
- Less any allowable foreign tax credits for this period (6 months).
- Less any applicable rebates or medical tax credits.

	R
Estimated taxable income for the year of assessment	<u>XXXX</u>
Normal tax on estimated taxable income	XXXX
Less: Primary, secondary and tertiary rebates under section 6	(XXXX)
Less: Tax credit for medical scheme fees under section 6A	(XXXX)
Less: Additional medical expenses tax credit under section 6B	<u>(XXXX)</u>
Total Tax Payable (A)	XXXX
Half of the normal tax payable on estimated taxable income (A/2)	XX
Less: Employees' tax deducted from the provisional taxpayer's remuneration during the first period	(X)
Less: Foreign tax credits under section 64 that proved to be payable by the end of the first period.	<u>(X)</u>
FIRST PROVISIONAL TAX PAYMENT	<u>XXXX</u>

How to calculate amounts dues

- **The Second Period:**

- The total estimated tax for the full year;
- Less the employees tax paid for the full year;
- Less any allowable foreign tax credits for the full year;
- Less any applicable rebates or medical tax credits;
- Less the amount paid for the first provisional period.

	R
Estimated taxable income for the year of assessment	<u>XXXX</u>
Normal tax on estimated taxable income	XXXX
Less: Primary, secondary and tertiary rebates under section 6	(XXXX)
Less: Tax credit for medical scheme fees under section 6A	(XXXX)
Less: Additional medical expenses tax credit under section 6B	<u>(XXXX)</u>
Total Tax Payable	XXXX
Less: Employees' tax deducted from the provisional taxpayer's remuneration during the year	(X)
Less: First provisional tax payment (if actually paid)	(X)
Less: Foreign tax credits (section 6quat) for the year	<u>X</u>
SECOND PROVISIONAL TAX PAYMENT	<u>XXXX</u>

How to calculate amounts dues

- **The Third Period** (voluntary):

- The total estimated tax for the full year;
- Less the employees tax paid for the full year;
- Less any allowable foreign tax credits for the full year;
- Less any applicable rebates or medical tax credits;
- Less the amount paid for the 1st and 2nd provisional tax periods.

	R
Estimated/actual taxable income for the year of assessment	<u>XXXX</u>
Normal tax on estimated taxable income	XXXX
Less: Primary, secondary and tertiary rebates under section 6	(XXXX)
Less: Tax credit for medical scheme fees under section 6A	(XXXX)
Less: Additional medical expenses tax credit under section 6B	<u>(XXXX)</u>
Total Tax Payable	XXXX
Less: Employees' tax deducted from the provisional taxpayer's remuneration during the year	(X)
Less: First provisional tax payment (if actually paid)	(X)
Less: Second provisional tax payment (if actually paid)	(X)
Less: Other provisional tax top-up payments (if any, if actually paid)	(X)
Less: Foreign tax credits (section 6quat)	<u>(X)</u>
TOP-UP PAYMENT	<u>XXXX</u>

How to submit the return

PROVISIONAL TAX WORK PAGE



Taxpayer Name

[REDACTED]

Tax Year

2023

Tax Period

02

Tax Reference

[REDACTED]

Return Type

IRP6

eFiling Status

Saved


RETURN TYPE	STATUS	DATE	DECLARED AMOUNT	VERSION	LAST UPDATED BY
IRP6	Saved	2023/02/01		1	[REDACTED]

[Refresh Historic Data](#) [Back to Search](#) [Submitted at Branch](#) [Request Statement of Account](#) [Refund Status](#)



LIVE CHAT

How to submit the return



Return for Payment of

Provisional Tax

Type: Individual ☒ Trust ☐ Company / CC ☐

IRP6

Particulars of Taxpayer

Year of assessment

2023

Period: First ☐ Second ☒

Taxpayer Reference Number

Date of birth (CCYYMMDD)

20220301

Surname

DYASI

Initials

Taxpayer Estimate

Gross Income (sales/turnover plus other income)

R

Estimated taxable income

R

0

Tax on estimated taxable income

R

0

Less: Rebates - Primary, secondary and tertiary (for individuals only)

R

- Medical scheme fees tax credit

R

- Additional medical expenses tax credit

R

Tax for the full year

R

0

Less: Employees' tax for this period (12 months)

R

Less: Foreign tax credits for this period (12 months)

R

0

Less: Provisional tax paid for 1st period

R

0

Tax payable for this period

R

0

Add: Penalty outstanding from 1st period

R

0

Add: Interest outstanding from 1st period

R

0

Amount payable

R

0

Add: Penalty on late payment

R

0

Add: Interest on late payment

R

0

Total Amount Payable

R

0

Unusual/infrequent amounts included in the estimated taxable income (eg. CGT, Lump sums)

Amount included in estimated taxable income that relates to unusual/infrequent events

R

0

Historical Information

Year last assessed

2022

Taxable income for that year

R

Basic amount

R

Payment Detail

Payment ref no. (PRN)

Beneficiary ID / Account no.

SARS - PROV

Payment reference numbers and payment allocation:

Always quote the unique PRN when making payment. Payment allocations to provisional tax periods are based on specific allocation rules which are linked to the unique PRN used on each provisional tax period return filed. If you wish to make a payment relating to a previous period, please use the PRN specified on the previous provisional tax period return. Payments will be allocated to your account by provisional tax period in the following manner: 1st Penalties, 2nd Interest, 3rd Provisional Tax declared. Please contact SARS when you wish to re-allocate a payment to the correct period.

Electronic payments are recommended. SARS does not accept cheques exceeding R50 000.

Declaration

I declare that the information furnished in this return is true and correct in every respect.

Date (CCYYMMDD)

20230201

Please ensure you sign over the 2 lines of "X"s above

For enquiries go to www.sars.gov.za or call 0800 00 SARS (7277)

Consequences

- **Submission dates**
- **Underestimation penalties upon assessment**
- **Late submission and payment penalties**

Questions and Answers

In 2021, my TAXABLE INCOME WAS CLOSE TO R3000000 because the business had a tender so the income was close to R2500000 but the following year the business had gone down to R1100000 and SARS rejected our provisional taxable income of R130000. So how do I convince SARS that this is the correct estimate.

- – P Moyo



Thank you