



South African Revenue Service

**PRESENTATION TO
STANDING COMMITTEE ON FINANCE**

“ANNUAL REPORT 2019/20”

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CONTEXT

- During the year under review, the organisation went through enormous change .
- The damage caused by State Capture in general, cannot be underestimated and SARS was unfortunately also a casualty in the process; thankfully, the work in rebuilding SARS as an institution, as well as restoring public confidence has begun.
- The crippling effect on staff morale is being addressed through enhances employee engagements as well as visible rebuilding of the SARS leadership team
- We started to move away from tactical to more strategic measures

OUR VOLUMETRICS

TAX VOLUMES PROCESSED

TAXPAYERS SERVED IN BRANCHES:

A new auto assessment workflow was introduced in June 2019 to auto assess a segment of taxpayers, in an effort to reduce the number of visits to branch offices by taxpayers who did not need to do so. A total of 228 289 auto assessments issued by SARS were accepted by taxpayers during the 2019 Filing Season.

In comparison with the 2018/19 year, the **number of complaints dropped by 31%**. In the same breath, we acknowledge that 1 complaint is one too many and we will continue to strive for perfection.

The Volumes We Processed

Tax Volumes	2019/20	2018/19
New Registrations	1.4 million	1.6 million
Tax Returns Submitted	17.3 million	17.2 million
Taxpayers Served in Branches	5.0 million	6.5 million
Payments Processed	17.2 million	19.1 million
Complaints Received	31 445	38 218
Audits & Verifications Conducted	1.4 million	1.9 million
Rulings Issued	287 Binding rulings 621 Non-binding opinion	315 Binding rulings 658 Non-binding opinion
Disputes Finalised	7 955 appeals	7 042 appeals
Tax Compliance Status Requests	1.2 million	1.2 million
Inbound & Outbound Calls	Inbound Calls 3.8 million Outbound Calls 1.4 million	Inbound Calls 4.6 million Outbound Calls 3.7 million

CUSTOMS VOLUMES PROCESSED

For the 2019/20 financial year, SARS performed **5 832 seizures** with an estimated value of R2.4 billion.

The most significant category of seizures was Counterfeit Goods valued at R1.1 billion for the year, followed by narcotics valued at R971.4 million and cigarettes valued at R103.5 million.

Customs Volumes	2019/20	2018/19
New Importers	9 821	9 934
New Exporters	8 701	8 637
Licensed Clearing Agents	212	147
New Accredited Clients	28	35
Import Declarations	3.4 million	3.3 million
Export Declarations	3.8 million	3.7 million
Customs Inspections	673 408	629 031
Customs Seizures	5 832	6 828
Post Clearance Audits	1 758	2 449
Tariff, Value and Rules of Origin determinations/rulings issued	740	1 743

THE PAST YEAR...

During the past year, we commenced work on a few urgent matters with varying degree of progress. To mention a few:

- **Governance, Integrity and Reputation**
 - Address leadership integrity issues
- **Building leadership competencies**
 - Building leadership engagement with the top 60 leaders in SARS
 - Strengthen leadership arrangements in support of Strategic intent
- **Revenue recovery and compliance**
 - Re-established the Davis Tax Committee
 - Establish an internal revenue recovery programme
- **Strengthening organisational capability**
 - Formalised capacity to address illicit activities and tax crime
 - Reviewed the SARS Risk Profiling and case selection methodology

REFLECTING ON THE ECONOMY

- The February 2019 Budget estimated nominal GDP growth of 7.6% for the fiscal year 2019/20 with real growth at 2% and inflation at 5.5%. The total revenue estimate based on these assumptions was R1425bn.
- The economy faced serious headwinds as it recorded a nominal GDP growth of 4.6% with real economic growth of 0.2% and inflation at 4.4%. The resultant revenue performance was R1356bn.
- These poor economic conditions, high public debt, underperforming SOE's, unreliable electricity supply, coupled with lower business confidence has begun to manifest measurably in weaker economic activities especially in sectors such as Manufacturing and Financial Services.
- By Q4 2019, a contraction in real GDP of 0.4%, 2.9% and 1.0% was recorded respectively in the Primary, Secondary and Tertiary sectors. This worsened to -11.8%, -7.5% and 1.3% respectively in Q1 2020. We have seen an increase in retrenchment, lower wage settlements, reduced bonus payments and a lower growth in consumer spending.

REFLECTING ON THE ECONOMY

- SARS tax directives for retrenchments in the period under review reflected a total of 287,000 versus 239,000 for the prior year signaling an erosion of the tax base especially for PAYE i.e. the 287,000 represents a number of PAYE contributors that will be likely not to contribute to the FY2020/21 tax base unless reabsorbed into employment.
- The official Quarterly Labour Force Survey (QFLS) reflected a quarter on quarter unemployment rate increase of 1% for 2020 Quarter 1 to 30.1%, putting primarily employment taxes under pressure.
- In the year under review a total of 230 Business Rescue applications were received of which 9 related to large businesses and 221 to SMMEs.
- Furthermore, in the period under review A total of 3,480 Liquidations applications were received of which 61 related to large businesses and 3,419 to SMMEs.

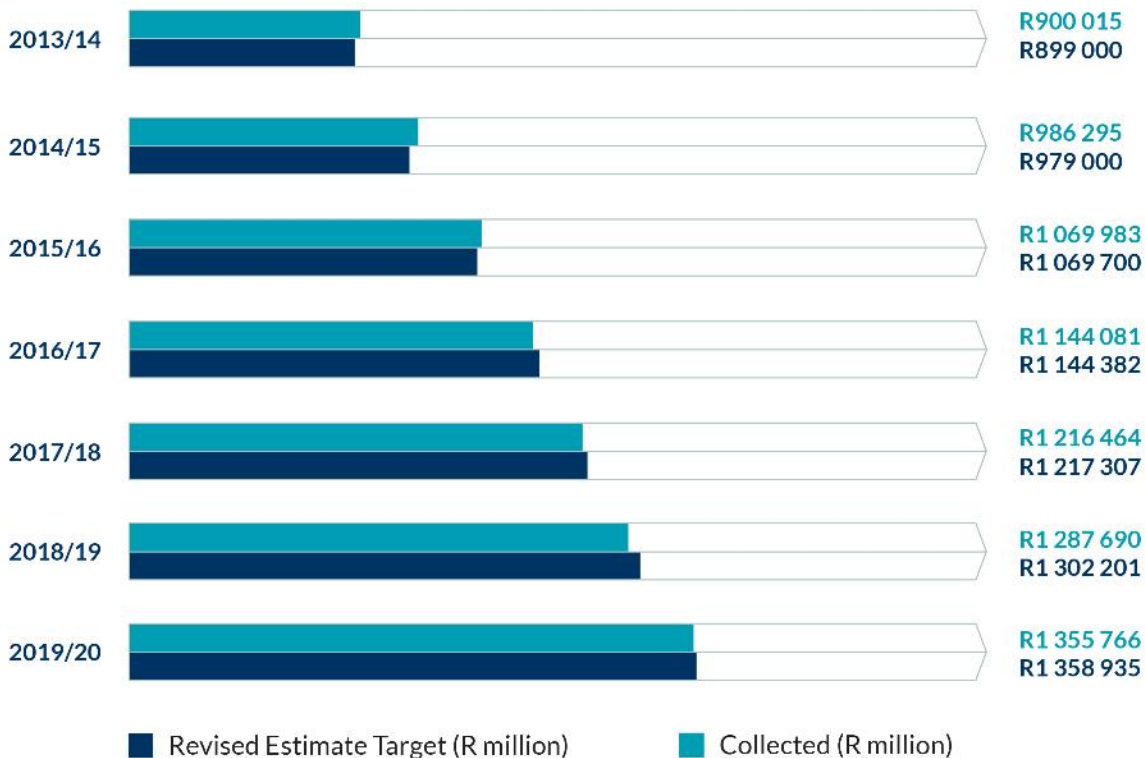
HIGHLIGHTS

- Growth of revenue collection outperformed economy (5.3% vs 4.6%)
- Nugent Commission recommendations substantively implemented
- Inbound Query volumes declined by >20%
- Taxpayer complaints down by > 30%
- VAT refund turn-around time reduced from 27.88 to 18.5 days
- Launched auto-assessment feature for PIT
- Uptake of eChannel usage >70% (against target of 55%)
- Uptime for eChannels >99%
- 5832 Customs Seizures
- Compliance interventions yielding > R100bn
- SARS Scorecard achievement of 78.22%

REVENUE PERFORMANCE

REVENUE PERFORMANCE FOR 2019/20

Revenue Collection

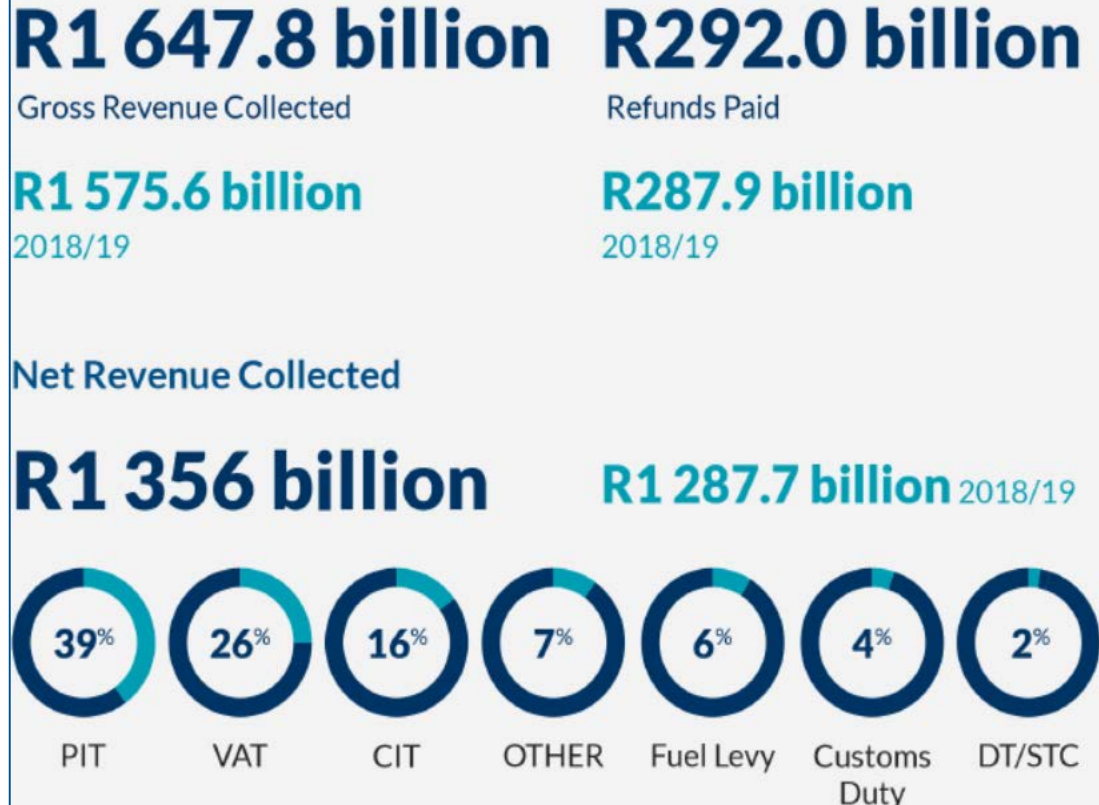


REVENUE PERFORMANCE

The gross amount of R1.6 trillion revenue collected represents a year-on-year growth of (4.6%) amidst deteriorating economic conditions.

For the financial year ending 31 March 2020, gross collections were offset by **refunds of R292.0 billion**, resulting in net collections of **R1 355.8 billion** against the Revised Estimate of R1 359 billion (R1 358.9 billion), resulting in a **deficit of R3.2 billion (-0.2%)**. This represents a year-on-year growth of R68.2 billion (5.3%).

The ratio of revenue collection growth to GDP growth (tax buoyancy) is 1.16 for the 2019/20 financial year, which is above the long-term average of 1.08. Furthermore, a tax-to-GDP ratio of **26.3%** was achieved in a very weak economic growth environment. This tax extraction rate is close to the long-term average of 24.3%.



REVENUE PERFORMANCE PER TAX TYPE

PIT, CIT and VAT remain the largest sources of tax revenue, comprising approximately 80% of the total tax revenue collections.

The **PIT** contribution has increased to 39% in the 2019/20 financial year from 38.3% for the prior year, mainly due to reduced fiscal drag relief.

There was a growth in **CIT** collections due to improved company profits, particularly in the mining and quarrying sector. However, this was offset by the contraction in CIT provisional tax payments mainly from the manufacturing and the finance sectors. These sectors were negatively impacted by the continuing unreliable electricity supply, a weak business and consumer confidence, as well as uncertainty about global growth prospects.

Domestic **VAT** collections were below the RE by R0.1 billion, as high unemployment, sluggish household income growth and high indebtedness continued to subdue consumer spending.

Tax type	Printed estimate Feb 2019	Revised estimate Feb 2020	Actual result	Increase / decrease on Printed estimate	Increase / decrease on Revised estimate
	R million	R million	R million	R million	R million
Personal Income Tax (PIT)	554 807	529 309	529 172	-25 634	-137
Company Income Tax (CIT)	232 940	219 229	214 986	-17 954	-4 243
Dividends Tax (DT) / Secondary Tax on Companies (STC)	31 893	29 144	27 930	-3 963	-1 215
Value-Added Tax (VAT)	360 471	344 202	346 761	-13 711	2 559
<i>Domestic VAT</i>	406 210	399 433	399 288	-6 922	-144
<i>Import VAT</i>	187 422	182 666	179 987	-7 434	-2 679
<i>VAT refunds</i>	-233 161	-237 897	-232 515	646	5 382
Fuel levy	82 958	79 277	80 175	-2 782	898
Customs duties	60 029	56 325	55 428	-4 601	-897
Specific excise duties	42 354	46 765	46 827	4 473	62
Taxes on property	17 159	16 038	15 980	-1 179	-58
Skills development levy	18 759	18 576	18 486	-272	-90
Other taxes and duties	20 840	20 069	20 021	-819	-48
Total tax revenue	1 422 208	1 358 935	1 355 766	-66 442	-3 168
Customs and Excise revenue	392 615	384 276	381 631	-10 984	-2 644
Tax revenue (excluding customs and excise revenue)	1 029 593	974 659	974 135	-55 458	-524
Total tax revenue	1 422 208	1 358 935	1 355 766	-66 442	-3 168

SARS DEBT BOOK

- The debt book as at 31 March 2020 includes the established debt (undisputed) of R108.7 billion, as well as the uncertain debt of R68.3 billion, hence bringing the total debt book for the 2019/20 financial year to R177.0 billion.
- SARS is in the process of migrating its tax and customs systems and processes from a modified cash basis of accounting to an accrual basis of accounting in line with Generally Recognised Accounting Practice (GRAP) standards, prescribed by the Accounting Standards Board.
- Accrual basis of accounting will be applied progressively on the basis of revenue classes/tax products.
- This will result in the simultaneous recognition and measurement of revenue, receivables (Debt book) and payables (Credit book) for the selected class of revenue/tax product so that a complete financial position is reflected. This change requires a detailed review of the debt management processes, to determine what constitutes receivables and payables, and to perform an assessment of what is collectable in terms of the applicable accounting standards and account/disclose accordingly inclusive of impairments and write offs.
- This review will be performed on all taxpayer accounts, which includes accounts that have been temporarily written off in terms of section 195 and 196 of the Tax Administration Act.
- Temporary write-offs are debts that may potentially be recoverable (partly or in full), but which are uneconomical to pursue at present on grounds of value for money.

ACHIEVEMENT AGAINST STRATEGIC OUTCOMES

OUTCOME 1 – INCREASED CUSTOMS COMPLIANCE

Customs Seizures



5 832
Seizures



of
R2.4 billion
Counterfeit Goods
seized

Excise Audits



of Excise
Client
Register

1 221

Excise clients audited



R1.2 billion
Yielded

OUTCOME 2 – INCREASED TAX COMPLIANCE

Total Register



Number of Returns Received during Filing Season



■ 2019 tax period **3.8 million**
 ■ Prior tax periods **1.0 million**

Submission Channels used in Filing Season



■ e-Filing **62.9%**
 ■ Branch filing **32.0%**
 ■ Mobi filing **5.1%**

Compliance rates

Tax	Actual	Target
PIT filing	52.17%	92.00%
PIT payment	47.15%	75.00%
CIT filing	19.99%	75.00%
CIT payment	64.28%	85.00%
VAT filing	51.46%	90.00%
VAT payment	88.58%	90.00%
PAYE filing	57.38%	80.00%
PAYE payment	86.46%	90.00%

Audit Coverage

8.87%

Target: 6%

OUTCOME 3 – INCREASED EASE AND FAIRNESS OF DOING BUSINESS WITH SARS

Average Processing Turnaround Time



for VAT refunds

18.95 days

27.88 days (2018/19)

Customer satisfaction: Contact Centre



System Uptime



System Uptime for e-channels



Uptake of PIT E-filing channel



2019/20



2018/19

Complaints

31 445

Complaints received

38 218 (2018/19)

Resolved within prescribed turnaround times



2019/20



2018/19

2 444

OTO Complaints received

3 040 (2018/19)

Resolved within SLA turnaround time of 15 days



2019/20



2018/19

OUTCOME 4 – INCREASED COST EFFECTIVENESS AND INTERNAL EFFICIENCIES

SARS' Expenditure

R10.8 billion

Total Expenditure

R10.8 billion

2018/19



Cost of Revenue Collection

0.78%

2019/20

0.84%

2018/19

Rental Savings



R60.3 million

17 leases re-negotiated

OUTCOME 5 – INCREASED TRUST AND CREDIBILITY

Internal fraud investigations completed

276

2019/20

601

2018/19

Voluntary Disclosure Programme

2 183

Applications finalised

R3.8 billion

Total amount collected

1 303

Contracts with an agreement value of R4.2 billion were concluded

Acquisition Spend



Black Women Owned Entities



Qualifying Small Enterprises



Exempted Micro Enterprises

OUTCOME 5 – INCREASED TRUST AND CREDIBILITY

DELIVERY AGAINST SERVICE CHARTER COMMITMENTS

Engagement

If you call our SARS Contact Centre we will:
Answer call within 1 minute (off-peak seasons).



If you visit a SARS branch or mobile tax unit we will:
Serve within 1 hour (off-peak seasons).



When using the eFiling channel we will:
SARS eFiling available 24 hours a day (99%).



Registration

When you apply for registration (all requirements met):

Finalise within 2 business days (no inspection).



Finalise within 21 business days (inspection required).



Returns/Declarations

When you submit a return/declaration electronically we will:
Assess return within 5 business days (no manual intervention).



Inspection, Audit & Verification

If you are subject to an inspection, verification or audit, we will:
Conclude verification within 21 business days (from date required documents are received).



Payments

When you make a payment (correct reference number), we will:
Process payment within 3 business days.



Debt

When you apply for deferral/suspension of payment, we will:
Consider request within 21 business days, and communicate accordingly.



Disputes in Terms of the Tax Administrations Act

Requests for reasons, an objection or an appeal, where (no exceptional circumstances) we will:

Provide reasons for assessment within 45 business days.



Consider objection within 60 business days.



Complaints to SARS

Where a service complaint has been lodged, we will:
Respond within 21 business days.



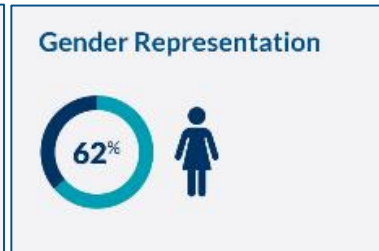
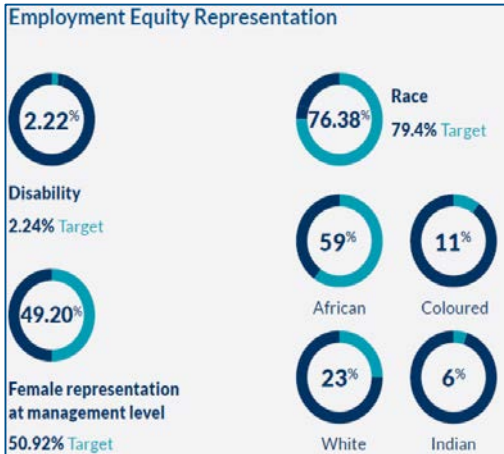
The measurement of the achievements against the Service Charter is still under review and a number of measures were not measured at 31 March 2020.

STAKEHOLDER MANAGEMENT

SARS' credibility is key to the delivery of its mandate, and it is imperative that the organisation rebuild public trust.



PEOPLE MANAGEMENT




















The **11 927 permanent employees** are **561** less than in the previous year. This is mainly due to cost reduction requirements and the lack of funding hinders our ability to address capacity and representation.

GOVERNANCE, LEGAL AND RISK MANAGEMENT

- During the year under review SARS has gone through enormous changes which were necessitated by the need for SARS to realign itself with an ever changing environment.
- The damage caused by State Capture in general cannot be underestimated.
- Many of the recommendations in the Nugent Report have been substantially addressed.
- It will take resilience, consistent focused effort and time to reverse the breakdown in governance, rebuild capability and restore public confidence.
- These will not be achieved without a commitment from National Treasury to provide SARS with adequate resources.
- The work of rebuilding SARS as an institution, and restoring public confidence has begun.

FINANCIAL INFORMATION

EXPENDITURE FOR PERIOD

Description	Annual Actual 31 March 2020	2019/20 Annual Forecast	Actual spend vs Annual Forecast	Actual spend vs Annual Forecast %	Prior year to date actual 31 March
	R'm	R'm	R'm	%	R'm
Grants	9,529	9,529	-	 100.00%	9,984
<i>SARS Grant</i>	9,484	9,484	-	 100.00%	9,942
<i>OTO Grant</i>	45	45	-	 100.00%	42
Interest	82	65	17	 126.15%	178
Other Income	449	312	137	 143.91%	548
Over recovery of Other Income		69	-69		
Total Revenue	10,060	9,975	85	 100.85%	10,710
Committed funds to be realised in 19/20	269	269	-	 100.00%	719
Interfront loan repayment	20	20	-		-
Reallocated savings from attritions	248	248	-		-
Total Funds Available	10,597	10,512	85	 100.81%	11,429
Employee Costs	7,488	7,438	-50	 100.67%	7,480
Goods & Services	2,522	2,617	95	 96.37%	2,606
Capex - Business as usual	208	251	43	 82.94%	157
Total Business as Usual	10,218	10,306	88	 99.15%	10,243
Transfers and subsidies (OTO)	41	45	4	 90.11%	41
Total Projects	213	337	124	 63.20%	607
Interfront	100	100	-	 100.00%	-
SARS	113	237	124	 47.68%	607
Expenses	10,472	10,688	216	 97.97%	10,891
Surplus/ (Deficit)	125	(176)	301		538

STRATEGIC INTENT



IN-YEAR UPDATE

COVID-19 FAST TRACKED OUR STRATEGIC INTENT AND VISION 2024

VISION 2024

To build a smart modern SARS, with unquestionable integrity, trusted and admired.

HOW DID WE RESPOND?

SARS RESPONSE: *It was important for SARS that taxpayers were enabled to continue to fulfil their obligations whilst managing the risk of*

We did this through:

- **Appropriate Regulations** under the Disaster Management Act
- Implementation of the **COVID-19 Tax Relief measures**
- **Reconfigured our way of working** by enabling our staff to work remotely
- Stepped up **technology enablement** to encourage online engagement
- Increased the **use of data and AI** to improve the integrity of outcomes
- **Branch visits by appointment** to minimise the need for unnecessary Q's
- Increased our **communication to employees**
- Increased our **communication to taxpayers, traders & tax practitioners**

All during the first 100 days of lockdown!

2. COVID-19 RELIEF MEASURES

COVID-19 TAX RELIEF MEASURES – SUMMARIZED

SARS had to **prepare its administrative systems** under severe resource and time constraints to prepare for the implementation of the various Tax Relief measures:

1. Employment Tax Incentive extension
2. Employees' tax deferral
3. Provisional tax deferral
4. Extension of time periods
5. Streamlined special tax dispensation for funds established to assist with COVID-19 disaster relief efforts
6. Skills development levy holiday
7. Fast tracking VAT refunds
8. Deferral for payment of excise taxes on alcohol and tobacco
9. Deferral for filing and first payment of carbon tax
10. Expanding access to living annuity funds
11. Increasing deduction available for donations to Solidarity Fund
12. Adjusting employees' tax for donations to Solidarity Fund made through an employer
13. Postponing implementation of some Budget 2020 measures
14. Application to SARS for waiving of penalties

COVID-19 FINANCIAL RELIEF – QUANTIFIED

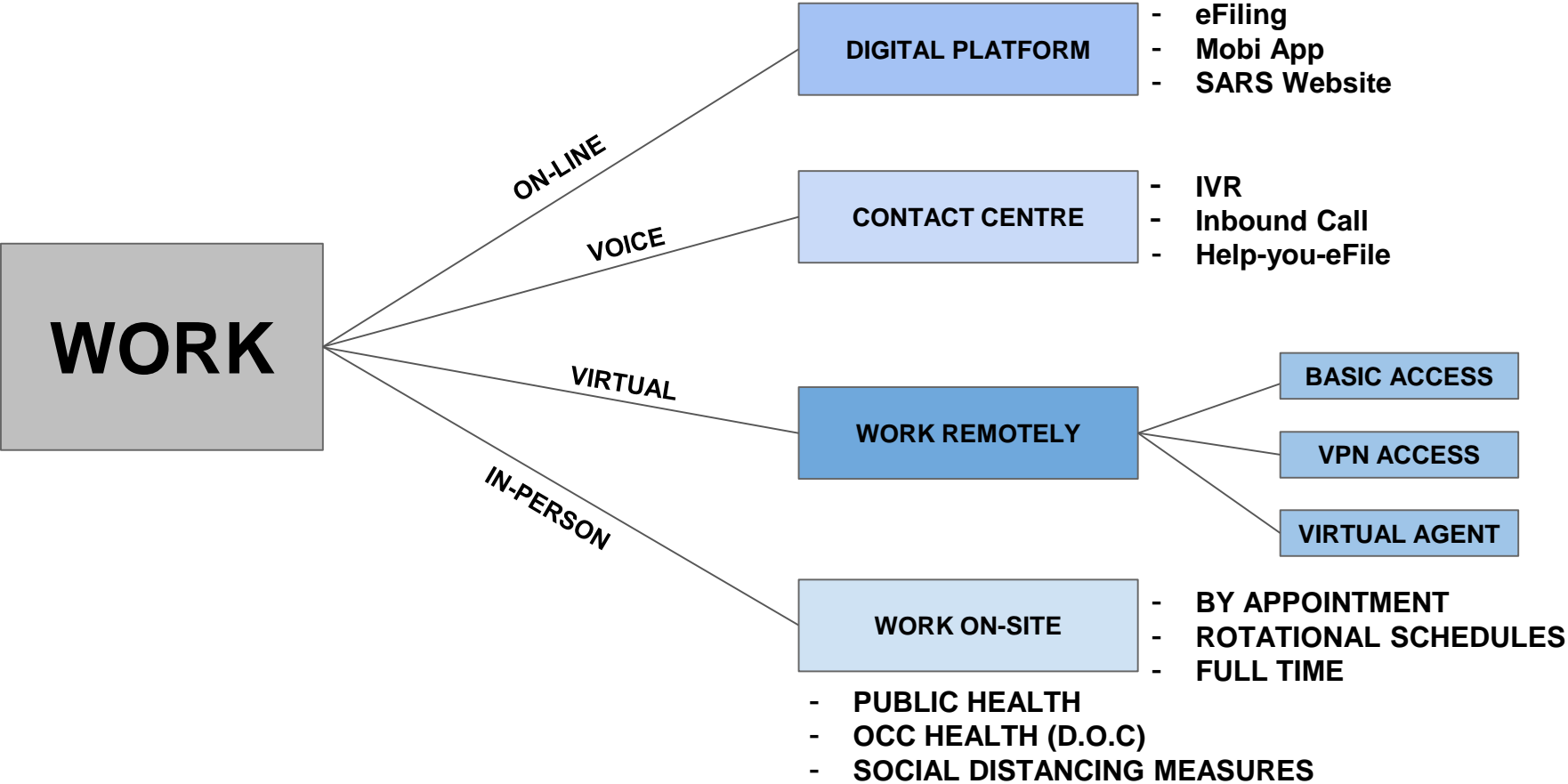
The tax relief provided can widely be classified into two categories, namely:

- Deferral of payment – which represents a shift in a due liability from one period in the financial year to another but still within the financial year and
- Revenue Cost Impact – which represents an erosion in the revenue base.

COVID 19 Tax Relief Measure	Estimated Revenue Impact	
	Deferral (R'bn)	Revenue Cost (R'bn)
Expansion of Employment Tax Incentive to pay up R750 to all employees with an income below R6,500pm	-	15
Deferral of 35% of PAYE liability for four months for Business with expected gross turnover of less than R100m	19	2
Deferral of 35% Provisional tax payments for the next six months for businesses and the self employed with expected gross turnover of less than R100m	12	3
Skills Development Levy holiday for four months	-	6
90 day deferral of alcohol and tobacco excise duty due to be paid in May and June 2020	6	-
Three month deferral for filing and payment date of carbon tax	2	-
Case by case application for deferral	5	-
Sub-total	44	26
Total		70

3. RECONFIGURED OUR WAY OF WORKING

OUR WAY OF WORK



WORK FROM HOME

In light of the ongoing challenges of conducting business during the COVID-19 pandemic, we have leveraged enabling technology that allow our workforce to work from home through remote working productivity capabilities.

- We have progressively increased our remote working capability from an initial 3000 users at the beginning of the lockdown to **9 220 (77%) users working remotely** to date - these include our functional areas such as our Service Channels, Debt Management, Compliance, Back Office Processing
- Introduction of **2 021 remote virtual agents in our service channels:**
 - Contact Centre - 638 agents (99%)
 - Branch Offices – 1 383 agents (85%)
- Our next phase of this journey focuses on our Auditing and Investigative areas - we are busy exploring the required enabling technologies to enable complete remote working capability.

HOW WE HAVE ADAPTED OUR MODE OF WORK AND RESPONSE AS AN ORGANISATION

Staffing productivity:

To ensure Taxpayer & Trader services during the duration of lockdown, SARS Operations had been mobilised to sustain services through enabling remote and scheduled in office working arrangements.

The overall productivity rate based on staff availability through our new mode of working – has progressively improved from Week 1 = 13% through to Week 25 = 94%.

To date R 92 million COVID-19 related expenses:

(excluding enhanced technology measures costs)

- Expenditure to date R 58m
- Planned expenditure R 32m

4. TECHNOLOGY ENABLEMENT

5. USE OF DATA & AI

TECHNOLOGY & DATA ENHANCEMENTS

Change in our routine that we service taxpayers & traders – expanding our reach as well as moving from physical engagements to that of virtual engagements through our various Digital Platforms.

- Implemented **+30 additional technology and data enhanced functionalities** to our digital offering including – to name a few:
 - **Automated registration for PIT – 139 000**
 - **Notice of Registration for VAT** now available on e-filing – **29 000**
 - Taxpayer visits through our **new Branch e-booking system – 176 000**
 - Non-filers can now submit **supporting documents via the web – 94 000**
 - **Suspended the need for VAT interviews** as a pre-registration requirement – **13 000**
 - Developed a **streamlined banking details verification** process – **440 000**
 - Communication via our **Unsolicited eMail solution – 133 000**
 - **Tax Directives applications** via eFiling (individuals & practitioners) – **3 200**

*These enhancements translates into approx. **518 000 taxpayer interactions being converted to our digital offering as compared to a previous branch office interaction.***

...AND OF COURSE WE PREPARED OUR SYSTEMS TO ALLOW AN “AUTO-ASSESSMENT” FOR ABOUT 3.1 MILLION TAXPAYERS

6. BRANCH VISITS BY APPOINTMENT

NEW! SARS eBOOKING APPOINTMENT SYSTEM

19:55

Branch eBooking

SARS SARS
South African Revenue Service
Branch eBooking System

Mandatory Fields

Request Information

Company / Trust / Entity Representative*

Yes No

Tax Practitioner*

Yes No

Appointment Information

Appointment Method*

Reason For Appointment*

Preferred Branch*

Province

Branch

[Check for Appointment](#)

Appointment Date & Time

Select a date

September 2020						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Select a Time

Available Time [Select](#)

Your requested appointment at branch BELLVILLE for reason 'Submit Personal Income Tax Return (ITR12)' is on 2020-09-16 at 16:00

Taxpayer visits through our new Branch e-booking system – 176 000...

Booking Confirmed

Your requested appointment at branch DURBAN for reason (Estate) ITR12 on 2020-08-28 at 14:00 has been confirmed. Case number 173245680

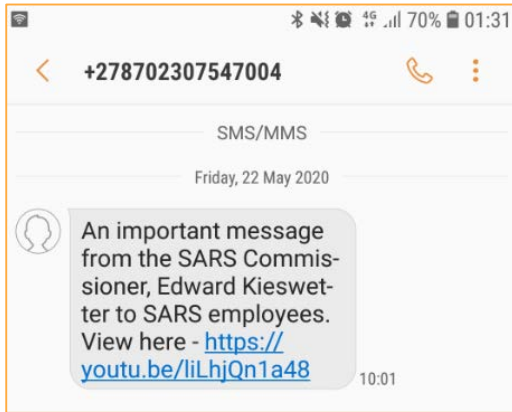
[Close](#)



7. COMMUNICATIONS EMPLOYEES

COMMUNICATIONS - INTERNALLY

Staff Communications - personalized letters, video messages, newsflashes...



**8. COMMUNICATIONS
TAXPAYERS, TRADERS &
PRACTITIONERS**

COMMUNICATIONS - EXTERNALLY

Taxpayers & Traders - personalized letters, social media, website, TV, webinars, newsprint...

Dealing with SARS during lockdown

1. See our **Online Services**
2. Call our **Contact Centre**
3. **Email us**
4. **Make an appointment**
5. **Escalate Issues**
6. **COVID-19** related media releases
7. **Tax Relief Updates**
8. **Customs and Excise updates**
9. **Small Business updates**

We've made it easier for you.

- **Go Digital!**
 - Download the SARS MobiApp via your app store.
 - Register for eFiling here
 - Click here for a list of services that are available on our digital platforms
- **Need a Tax Number?**
 - Register for eFiling and you will be automatically registered for personal income tax and receive a tax reference number
- **Visit our YouTube channel for easy help on everything digital!**
 - Click here to access SARS TV!
- **Need answers on the exceptional tax measures?**
 - Click here for more

It may not be "Business As Usual" but we're constantly expanding our list of digital services – keep checking back here to see what's new!

Follow us on social media for updates.



Visit the COVID-19 Online Resource and News Portal
www.sacoronavirus.co.za

Tweets Tweets & replies Media Likes

SA Revenue Service @sarstax · 2020/05/19
Take tax matters to heart. Play your part in serving your employees. #YourTaxMatter. For more information, please click here: sars.gov.za/TaxTypes/PAYE/...

Employers, submit your Annual Employer Reconciliation Declaration by 31 May 2020 #YourTaxMatters

SARS At Your Service

Need help from a branch to file your tax return? Make your eBooking for a video or voice call with a SARS agent on sars.gov.za or call 0800 117 277 #YourTaxMatters

SARS At Your Service

Tax relief measures for coronavirus response

How much can I defer for the COVID-19 Tax Relief for Provisional tax?

Tax complaint businesses having a gross income threshold of R100 million or less can pay 15% of the total tax liability for the first provisional tax period, 65% for the second provisional tax period (after deducting what was paid in the first provisional tax period); and defer the balance of 35% to the third provisional tax period.

STAY
#COVID19SA

SARS
At Your Service

No need to call us. If you are auto-assessed, you will receive an SMS notifying you of your proposed assessment

SARS At Your Service

For your safety, make an eBooking on our website or call 0800 117 277

SARS At Your Service

FILING SEASON 2020

Commitment: To invite more than **3 million taxpayers** to participate in the expanded use of our auto assessment feature and trust the majority will find it easy to use.

- 3.6 million Auto assessments were invited to participate in the auto-assessment feature.
- The total number of returns filed for the 2020 Tax Season comprises 2 046 464, of which 1497 086 were from taxpayers who were in the auto assessment population
- 91.9% returns were received electronically through our eFiling and MobiApp channels
- 477 103 taxpayers that used to file in the branch have opted to file electronically this season
- 174 523 taxpayers filed at one of our branches
- 86 787 eBookings were made
- More than 1 million taxpayers who were part of the auto-assessment population and who already filed accepted their auto-assessments, which represents an overall acceptance rate of 69%.
 - 713 664 Accepted the auto-assessment outright
 - 783 422 elected to Edit their returns, however, 313 221 did not make any adjustments to their returns

Commitment: To provide at least **8 out of every 10 taxpayers** with an assessment outcome in **under 3 seconds**. This will largely be dependent on the infrastructure used by taxpayers e.g. speed of the internet connection used to connect to SARS.

- 85.11% of taxpayers have been assessed in under 5 seconds.

Commitment: Pay at least **7 out of every 10 taxpayers** their refund if it's due, within **72 hours** if nothing else is required to be rectified such as a data mismatch, invalid or outstanding banking details, outstanding returns, other outstanding compliance aspects, etc.

- 90.79% of taxpayers have been refunded within 72 hours
- R13.4bn in refunds have been paid out to 1 240 882 taxpayers

FILING SEASON 2020

Commitment: Be **specific when we request any outstanding information** that is holding up your assessment.

Commitment: Conclude **7 out of every 10 audits**, when an audit is required within 30 days; alternatively improve our communication with you to manage expectations. This will be dependent on taxpayer participation and we urge you to be responsive when requested to submit additional information in time.

- 89.23% of Audits have been completed within 21 days (excluding waiting time for taxpayer)

Commitment: **Issue letters for late and outstanding returns and impose penalties** as prescribed in law immediately after the closing dates. We also draw your attention to Government's approach to the design of incentives and relief measures, which is premised on those who are tax compliant.

- No data point (*Nb! measured at the end of filing season period*)

Commitment: **Enforce the administrative steps** in terms of the Tax Administration Act including the prosecution of those who fail to respond appropriately.

- No data point (*Nb! measured at the end of filing season period*)

Commitment: **Name and shame** those convicted of criminal offences. Whilst we are passionate to make it easy for taxpayers to comply, we are equally focused on stepping up our ability to detect non-compliance on all fronts.

- No data point (*Nb! measured at the end of filing season period*)

CHALLENGES

- The global and local economic conditions are likely to remain subdued and challenging for tax collection.
- The impact and prevalence of corruption are also not useful for tax morale.
- Low compliance levels are apparent almost across our entire tax base.
- Funding constraint resulting from continuous cuts in our grant hinders our ability to achieve our Vision.

