**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **1681 [NW1889E]**

**1681. Dr D T George (DA) to ask the Minister of Finance:**

Whether the impact on schooling of the disabled children was assessed in view of the SA Revenue Service limiting tax relief on fees for schools for children with special needs; if not, why not; if so, what are the relevant details?

NW1889E

**REPLY**:

Yes. The draft 2021 “List of Qualifying Physical Impairment or Disability Expenditure” (draft 2021 Disability List) was prepared by SARS following proposals made by a stakeholder who represents a special needs school for learners with disabilities and, in addition, represents an association of independent schools. These independent schools provide general education together with interventions required as per the disability of each learner.

The guiding principle for qualifying expenses has always been to determine what additional expenses the person with a disability would incur, without which the person would not be able to perform activities of daily living. The amendments proposed in the draft 2021 Disability List were intended to assist schools and parents in more accurately drawing the distinction between expenses for education in the ordinary course, which would be incurred irrespective of whether the learner was living with a disability or not, and expenses for interventions required in consequence of disability, the latter of which would enjoy a tax privileged status under the Income Tax Act, 1962.

The stakeholder put forward the proposition that it was feasible for the schools to itemise their invoices and/or provide a letter to SARS separating the expenses for general education from those incurred in consequence of a disability, with the latter qualifying for tax relief. This appeared reasonable from the facts presented and the draft 2021 Disability List was accordingly prepared and workshopped with various stakeholders representing persons with disabilities before being published for general public comments.

Concerns were, however, raised by the public at large and some other schools. SARS has always been empathetic insofar as expenses required in consequence of disability are concerned and so decided to withdraw the draft 2021 Disability List in order to permit more time to engage with relevant stakeholders, consider the comments/suggestions raised, and clarify the intent behind the draft changes. It is only once this process has concluded that a further draft may be published.