

SARS 2022 Filing Season Q&A

Following engagement with members regarding challenges experienced during the 2022 Filing Season, we have compiled a list of issues escalated and the related responses from SARS.

ISSUE	SARS RESPONSE
Multiple errors were identified in the pre-population of data, including duplications, missing information, commission earners incorrectly receiving auto assessments, etc.	<p>Most of these were resolved within the first few weeks of Filing season. However, it is important to refresh the data/returns before checking.</p> <p>New issues may be escalated via the SAICA Member Portal to facilitate escalation to SARS.</p>
Where tax returns were completed and filed early, SARS still issued an auto assessment, in respect of those taxpayers subjected to auto assessments.	<p>The expectation by taxpayers was that if they were not issued an auto assessment on 1 July, they were not going to receive one later. The challenge is that auto assessments were issued in batches over a few weeks and there was no upfront communication to advise the taxpayer that an auto assessment will be issued.</p> <p>The SAICA proposal is that there should be a 'check' to avoid an auto assessment being issued where a return is submitted prior to this being issued. SARS to investigate options.</p>
Tax practitioner details are being pre-populated on 'SARS estimated returns' created to generate the auto assessment. There is a concern that this is misleading.	SARS officials are to discuss internally and revert.

Medical aid contributions not pre-populated in some instances, even though there has been no change since the prior year.

Pre-population depends on the quality of the 3rd party data received. Tax payers/practitioners are to check 3rd party certificates and refresh the return. If no certificate is available on eFiling, the 3rd party must be engaged to address this.

Why did SARS remove the options 'Accept' or 'Decline'? Due to refunds being paid within 72 hours, it is often impossible to check the data and make changes within that time-frame.

SARS has enhanced the filing season based on the observations from the 2021/2022 filing season where 96% of taxpayers did not amend a return pre-populated by SARS.

There is a concern that this will impact collections and tax practitioners believe that some clients may choose to just accept the auto assessment as correct, knowing there are omissions.

If taxpayers are unhappy with the auto assessment, they can submit the returns in the normal way – i.e. 'edit' the return or request a return and make the necessary changes.

What triggers a manual intervention and what is the timeframe for finalisation of an assessment in such circumstances?

On filing a revised return, this will go through the normal risk engine and if there is a risk identified, the return will be routed for manual review (verification) and supporting documents requested. There is a 21 business day turnaround time, from the date when all required documents are submitted to SARS.

In prior filing seasons, finalisation of assessments in those circumstances have taken far too long, with some 2021 returns not yet assessed.

On requesting and submitting a corrected return after being auto assessed, eFiling sometimes rejects it on the basis that the information differs to that available on the SARS system and reinstates the SARS estimated return.

SARS will verify changes against 3rd party data and if there is a difference, the estimated assessment will be reinstated – the taxpayer is to request the 3rd party to send updated data.

Where updated data is submitted after the auto assessment has been issued, or where the taxpayer submitted a return and was assessed – SARS will inform the taxpayer of the update and the taxpayer may submit a revised return. If not, SARS will 'auto-revise'.

The medical aid section requires disclosure of 'dependents' and makes no mention of the main member. In the past, the return requested that one 'State the total number of dependents (including yourself)'. The wording in the 2022 return is: 'State the total number of dependents per month'. If one includes only dependents, the system does not automatically add the main member.

SARS was of the view that the form was correct. However, we have sent screenshots of prior year and the current year return to illustrate the wording difference and we await further feedback.

SAICA advises members to include the number of dependents including the main member – i.e. as reflected on the medical aid certificate – in order to ensure that the rebate is calculated correctly.

Some 3rd party information is not pre-populated

There are 3 possible reasons for this:

1. The 3rd party hasn't submitted data to SARS
2. The 3rd party submitted data, but the information cannot be prepopulated because it does not reach the level of confidence acceptable to SARS.
3. Occasionally, there is a SARS system issue, which SARS will resolve.

One must use the enquire 3rd party data functionality to see if the information is reflected on the system. If it is, refresh the return and the information should then be pre-populated.

Most financial institutions provide password protected documents. It is not possible to upload this without the password if there is limited access to a printer and scanner as one would need to print, scan and upload the documents to overcome the password challenge.

SARS advises that filers should choose the 'Print to PDF' option, then save the document and this will remove the password protection.

In SAICA's view, this is not always feasible and alternatives need to be explored.

The option to indicate a change in tax residency is no longer available on the ITR12 form.

Change of residency must be indicated to SARS by updating the RAV01 form. If the field is greyed out or not populated on the ITR12 – one must update the RAV01 and refresh the ITR12 return.

Capital gains from a Trust are not appearing in the tax calculator.	This error was fixed on 19 July.
Foreign capital gains disclosed, not appearing in the tax calculator.	This error was corrected as at 3 August and the tax calculator should now reflect the correct results. Further, SARS noted that even if the calculation is incorrect, the assessment will still be correct.
Often, SARS indicates on the ITA34 that the taxpayer was not selected for verification. However, a few days later, the taxpayer receives a request for supporting documents. Most tax practitioners would have billed their clients and closed the respective files on the basis that the work is complete for the tax year, only to find that additional work is required.	There are instances, where risks are identified or highlighted by 3 rd party data providers post filing of the return wherein the taxpayer may be requested to submit supporting documentation. It is usually this event that would trigger a verification some time after the assessment has been issued.
There were many instances where SARS disallowed the s10(1)(o)(ii) exemption in 2021, resulting in unnecessary ongoing disputes, many of which have still not been finalized.	SARS indicated that this will be looked into and this will (hopefully) not recur in the current filing season.
Repeat requests for supporting documents even after these have been submitted.	SARS is investigating this and will revert.
One cannot 'edit' the return from the auto assessment page. Workaround: Go to the returns work page and request a return.	SARS has fixed this error as at 1 August.
Retirement fund contributions carried forward from the prior year is incorrect.	SARS is investigating this and will revert.
If a director is issued with an auto-assessment and it is correct, is there still a need to request a return and submit the statement of assets and liabilities?	This is no longer a requirement since a few years ago. If the director is satisfied that the SARS estimated return and related auto assessment is full and correct, no further action is required.