

## FEEDBACK SUMMARY – 25 MAY 2017

### GENERAL

SAICA attends various discussions and meetings on behalf of members with SARS and other stakeholders (internal and external). These meetings represent an opportunity for them to obtain further information on a matter from the public and discussions and views expressed do not represent policy or decisions. Furthermore, these discussions do not represent an undertaking by SARS or other stakeholders, but merely statements of their understanding or how they perceive or anticipate particular issues to be addressed.

The undermentioned Feedback Summary on matters discussed should be seen in the above context in order to inform SAICA members of the discussions and of any proposals that were made during such discussions.

### FEEDBACK

#### SARS RCB NATIONAL OPERATIONAL MEETING

16 MAY 2017

#### 1. Filing season 2017

- The 2017 SARS Filing Season will commence the first weekend of July 2017 – that is, returns will be available for submission on eFiling commencing Saturday, 1 July 2017. However, taxpayers may only file at branch offices from Monday, 3 July.

#### 2. Migration to Html5

- SARS noted that its planned migration from Adobe flash to Html5 is well on its way and will hold many benefits for taxpayers by increasing the different devices and platforms taxpayers can use to interact with SARS. This implementation will be done in phases to ensure continuity.

#### 3. Return and data enhancements

- The ITR12TR individual taxreturn will be enhanced/changed from the prior year and SARS have advised that these enhancements will be communicated prior to implementation thereof.
- SAICA requested that SARS advise upfront as to what the evidentiary requirements will be with respect to the various deductions claimed on tax returns. This is with a



view to assist taxpayers and tax practitioners with preparation of these documents at the time that the returns are submitted, rather than trying to collate the information only at the audit stage.

- SARS noted that with respect to third party data, it appears that 3<sup>rd</sup> party submissions are on track. Furthermore, it was noted that all medical aid schemes are now on board with their third party data submissions. This should eliminate much of the frustration experienced as a result of mismatches in data due to not all third parties submitting the information on time which results in SARS having to request further information from taxpayers

#### **4. Registration of Estates**

- SARS acknowledged a number of challenges with the registration of estates and advised of the new processes that taxpayers and tax practitioners should be aware of. Please access the most [recent information](#) on the SARS website for more detail in this regard.
- SAICA will be engaging with SARS to co-ordinate a workshop for SAICA members on the new estate registration process.

#### **5. Deceased estates**

- Concerns were raised regarding the inability to access the profile linked to that of a deceased person – either on an individual basis or where the deceased was a Public Officer, for example.
- SARS has welcomed proposals as to practical ways of addressing this issue whilst avoiding the perpetration of fraud.

#### **6. Diesel Refunds**

- This matter was again raised in discussions with SARS, especially as relates to separation of the rebate from VAT to avoid unnecessary disputes caused by protracted rebate audits.
- SAICA will be making further submissions to SARS regarding the legal aspects related to the set off of VAT with diesel rebates, with a view to engaging with SARS Legal and Policy to expedite resolution of this matter.

#### **7. PAYE Accounts**

- SARS has noted that it is aware of the challenges with PAYE statements of account and has embarked on a process to try reduce the number of journals reflected. Furthermore, for those journals processed, SARS will aim to reflect on the statement



of account details of how the journals have arisen and how payments have been processed where these are reallocated.

- SARS requested examples of those instances where estimated assessments were being raised in order to 'eliminate' credits due to employers. Please submit such examples to [taxcomments@saica.co.za](mailto:taxcomments@saica.co.za). As can be seen from the VAT refund survey, the more members participate in these calls for comments and examples, the greater the chance of the issue being resolved.
- To address challenges with PAYE journals, SARS have proposed a public workshop to clarify to taxpayers which processes result in journals which will facilitate a better understanding and assist in resolving accounts. SAICA welcomes this initiative and will collaborate with SARS to implement this proposal.

## 8. Delayed Refunds

- Whilst there are many challenges related to delayed tax refunds, the one issue which SARS is focusing on at present is that of blanket assessments and will seek to separate when it is properly issued due to taxpayers frustrating the process as opposed to where there is a procedural problem.
- SARS has advised that a specific process is followed with respect to assessments raised where insufficient information has been provided by the taxpayer. SARS has agreed to document and communicate this process in order for RCBs and their members to consider where the process is deficient and propose alternatives.

## 9. Dispute resolution

- SARS has advised of [new functionality](#) available within the online dispute resolution process. Full details are available on the SARS website. However, specific aspects are dealt with below:
  - As noted on the SARS website, where an objection is being submitted late, a taxpayer will now need to request condonation for the late submission prior to lodging the dispute. SARS will then consider the condonation request and either accept or reject this. If rejected, a taxpayer may object to this decision to reject the condonation request itself.
  - In SAICA's view this procedure also better represents the law and prevents disputes of validity after an objection has already been submitted.
  - SARS has also advised that where a condonation request has been allowed, a taxpayer would need to return to the assessment or statement of account in order to lodge the dispute – i.e. the condonation correspondence will not automatically allow for a taxpayer to access the dispute screen. SARS has agreed to distribute further communication in this regard.
  - **Invalid objections** – many of these challenges related to the condonation request being denied rather than the objection itself being invalid. In SARS'



view, given that eFiling has split the condonation request from the objection process, this should serve to reduce the invalid objections to some extent. The other matters related to invalid objections (as submitted by SAICA to SARS) are still being considered.