



South African Revenue Service

Dear Valued Stakeholder

PERSONAL INCOME TAX — 2025 TAX SEASON UPDATES

SARS is realising its vision to become a smart, modern organisation with unquestionable integrity, trusted and admired by all. It is working hard to make it easy for taxpayers to comply with their legal obligations.

The 2025 Filing Season for individuals will open on 7 July 2025 and covers these major dates:

- **Auto Assessment notices:** 7 July 2025 to 20 July 2025
- **Individual taxpayers:** 21 July 2025 to 20 October 2025
- **Provisional taxpayers:** 21 July 2025 to 19 January 2026

Trusts can start filing on 19 September 2025 and must file on or before 19 January 2026.

Below are updates for the upcoming Personal Income Tax Season.

Certain Provisional Taxpayers Can Participate in Auto Assessment

For the 2025 Tax Season, SARS will identify eligible provisional taxpayers and invite them to express their interest to receive an Auto Assessment. Eligible and interested provisional taxpayers will be included in the Auto Assessment population.

Section 6quat

With effect from 1 March 2025, section 6quat of the Income Tax Act (the ITA) has been amended for taxpayers to fully use foreign tax credits for the taxes paid on capital gains in the foreign jurisdiction to the same extent in relation to the taxes paid in South Africa on the same gains.

From the 2025 tax year, SARS will maintain any unused foreign tax credits to be carried forward automatically in the subsequent years of assessment, up to six years.

Section 11(nA) and 11(nB)

With effect from 1 March 2025, employers must report sections 11(nA) and 11(nB) of the ITA details on the IRP5/IT3(a) certificate. These changes will affect the ITR12 tax return so that section 11(nA) source code 4042 will be reflected on the IRP5/IT3(a) tax certificate, and a new source code 4058 relating to section 11(nB) will be reflected in the “Other Deduction” field.

Definition of “Provisional Taxpayer” in Paragraph 1 of the Fourth Schedule

With effect from 1 March 2025, a labour broker who received an approved certificate of exemption will be included in the definition of provisional taxpayer. This means that these labour brokers must comply with provisional taxpayer requirements such as submitting IRP6 tax returns.

Section 12H Learnership Agreement

The section 12H (of the ITA) Learnership Agreement termination date has been extended from 1 April 2024 to 31 March 2027.

Allowable Interest Expenses on Foreign Interest in Terms of Practice Note 31

The “Allowable interest expenses incurred in the production of interest received” line item has been introduced within the “Foreign Interest” container of the ITR tax return to align with Practice Note 31.

Backdated (Antedated) Salaries and Pensions

New source code 3623 and 3673 has been introduced to the ITR12 tax return for backdated (antedated) salaries and pensions.

Section 10(1)(i) interest exemption

For section 10(1)(i) (of the ITA) exemption to be applied correctly, the executor will be able to declare the “Interest Earned Date From” and “Interest Earned Date To” within the investment-income container on the deceased estate tax return where such date exceeds the year of assessment during which the taxpayer became deceased.

Exempt Local and Foreign Dividends

Two new source codes have been introduced for local (source code 4306) and foreign (source code 4307) dividends within the non-taxable container on the ITR12 tax return.

Section 9H Change of Residence

From the 2025 tax year, RSA tax-resident and non-resident taxpayers will be presented with a specific ITR12 and IRP6 tax-return type based on taxpayer registration status available with SARS, i.e.:

ITR12

- RSA tax resident will be presented with the resident wizard questionnaire.
- Non-resident will be presented with the non-resident wizard questionnaire.
- Taxpayers who ceased RSA tax residency during the year of assessment will be presented with the resident and non-resident questionnaire.

IRP6

- RSA tax resident will be presented with the resident return.

- Non-resident will be presented with the non-resident return.
- Taxpayers who ceased RSA tax residency during the year of assessment will be presented with resident and non-resident return.

Trust Income Changes

From the 2025 tax year, SARS will apply a 50% communal estate where income from a trust is declared, and the taxpayer is married in community of property.

Unused Balances such as Section 11F, Section 18A, Section 20

SARS will print the note given below on the ITA34, in instances where unused balances are not automatically carried over to the subsequent year of assessment:

SARS did not consider your carryover/brought forward amount(s) as the current return is under the verification review. SARS will initiate the amendment of the return to take the carryover/brought forward amount into account once the verification case is finalised.

Enhancement Of Banking Details

To enhance user experience with the Registration, Amendments, and Verification Form (RAV01) form and the ITR12 tax return, taxpayers will be presented with a list of their verified banking details available to SARS. Taxpayers must select this information when updating their bank-account details rather than manually capturing them.

Reinstatement of RSA Tax Residency

The Registration, Amendments, and Verification Form (RAV01) form will enable a taxpayer who ceased to be an RSA tax resident in the past to indicate the reinstated date on the “Reinstatement Date of RSA Tax Residency” line item.

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

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