

## **SARS streamlines auto assessments for the 2022 tax filing season**

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*Taxpayers who are satisfied with their auto assessments need not take any further action, under the new procedures introduced by SARS for the 2022 tax filing season*

SARS has introduced some changes to the auto assessment process this year to make it easier for taxpayers to file their income tax returns.

Following our [recent update](#) on auto assessments, new information has been published on the SARS website.

An auto assessment is based on data received from employers, medical aids, banks, retirement annuity funds, etc. Once SARS has completed the auto assessment, it will notify the taxpayer by SMS or email, and the taxpayer will be able to view it on the eFiling website or the SARS MobiApp. Taxpayers can view the third-party data that was used to prepopulate the return (by clicking on the "Third Party Data Certificate" search button on the menu bar) to check that the data is correct.

If the taxpayer is satisfied that the auto assessment is correct and contains all relevant information, and a refund is due, they do not need to take any action to "submit" the assessment. If they are satisfied it is correct, but they are due to make a payment to SARS, they must do so within the payment due date specified on the Notice of Assessment (ITA34).

However, if a taxpayer believes the auto assessment is incorrect, or does not contain information on all sources of income (e.g. rental) or allowable deductions, they must access and complete their tax return and file it **within 40 business days**. If this is not possible, they can apply for an extension via eFiling or the SARS MobiApp before the 40 days is up or within 21 business days of the 40 days on the basis of reasonable grounds. Extensions beyond 21 business days will only be granted on exceptional grounds, which may be difficult to justify.

There are administrative penalties for the late filing of a tax return. Previously, penalties only kicked in when two or more tax returns were outstanding. Since December 2021, SARS will levy administrative penalties when more than one tax return is outstanding. These penalties are based on taxable income, and they can range from ZAR250 to ZAR16 000 for each month that the return is outstanding. These penalties start to mount from the first day that the return is late.

Here are the top 10 things you can do to prepare for the 2022 filing season:

1. Register on eFiling or the SARS MobiApp and avoid those queues!
2. Check that your bank details are correct and if necessary, correct or verify them especially if you are expecting a refund from SARS.
3. Collate supporting documents to complete your tax return if you have other sources of income, or if you claim medical expenses.
4. Check if you are a provisional taxpayer. Provisional taxpayers must file their returns by **23 January 2023** but non-provisional taxpayers have earlier filing dates!
5. If you only receive a salary and interest of less than ZAR23 800 (under 65) or less than ZAR34 500 (65 and older), and no other sources of income, then you are probably not a provisional taxpayer. You will need to file your returns by **24 October 2022** (unless you are auto-assessed.)

6. If you are not a provisional taxpayer and only receive salary and interest from a bank, then you may be auto-assessed and be issued with an assessment by SARS pre-populated with third party data. Look out for the SMS or email from SARS that your auto-assessment in the form of an assessment is on eFiling or MobiApp ready for you to view.
7. Once you receive the auto-assessment SMS or email from SARS, log onto eFiling and check the assessment and the third-party data used to calculate the tax or refund due.
  - If you are happy with the assessment, you need not "submit" the assessment. (This is different to the 2021 filing season which required you to submit the estimated assessment.)
  - If a refund is due to you, the SARS website states that the refund process takes about 72 hours from the date the assessment was issued to you.
  - If you owe SARS tax, you will need to pay by the due date on the assessment otherwise, there will be interest.
8. If you are not happy with the assessment, you will need to obtain and complete a tax return on eFiling **within 40 business days** from the date the assessment was issued. (However, if you are not happy with the third-party data used, you will first need to get the data corrected with the relevant third party.) The requirement to obtain and complete a return within 40 business days is something new this filing season. For example, if you are auto-assessed and you are unhappy with this assessment which was issued on 1 July 2022, you will need to obtain and complete a tax return by 29 August 2022 (i.e. 40 business days after 1 July 2022).
9. What if you are not happy with your assessment from the auto-assessment and need more time to complete the tax return? SARS can grant an extension for you to file the return if a request with reasonable grounds is made preferably, within the 40 business days after the date your assessment was issued to you. If you are late, you can still request an extension with reasonable grounds within 21 business days after the 40 business days of the date the assessment was issued to you.
  - For example, if your auto-assessment was issued on 1 July 2022, request an extension preferably within 40 business days of 1 July 2022, which is by 29 August 2022.
  - If you are late, request an extension within 21 business days after 29 August 2022 i.e. by 26 September 2022.

Extensions further than 29 August 2022 until 30 June 2025 (i.e. up to 3 years from issue date of assessment) require exceptional circumstances and may be difficult to justify.
10. Beware admin penalties - and here, there is a little uncertainty on due dates for taxpayers who are auto-assessed but want to file tax returns, and those that are not auto-assessed and want to file tax returns. It appears (although it is not 100% clear), that your due date to file the completed return may be sooner than 24 October 2022 if you are auto-assessed but want to file a return. If you are auto-assessed and are granted an extension to file the return, we suggest filing the return by the date that your extension allows you to do so even if this date is earlier than 24 October 2022.