

Media Releases 2007

Update on amnesty registrations

Pretoria 25 April 2007 -- The South African Revenue Service (SARS) today added more than 1 000 new applications to the Small Business Tax Amnesty process through an extensive registration campaign across the country.

Several thousand SARS officials were joined by members of the South African Police Service (SAPS) and officials from the Department of Home Affairs in 30 towns and cities where 4 160 small businesses were visited. By 15:00 today 1 106 new applications for amnesty were received while 2 218 application forms were handed out to businesses.

The registration programme will continue until 31 May 2007 – the deadline for the Small Business Tax Amnesty period.

While the amnesty programme has the primary focus of broadening the tax base by including businesses that have never registered for tax or businesses that owe SARS outstanding tax, SARS will continue its enforcement activities in instances of non-compliance with the law.

Arising from work already done on the amnesty, 39 small business owners appeared in the Durban magistrate's court for failing to submit tax returns. Three properties of businesses were also attached while 56 summonses were issued for outstanding returns due to SARS. At the same time customs officials confiscated 950 master cases of illicit cigarettes en route to Johannesburg.

In Gauteng, the Western Cape, Free State and Mpumalanga a number of illegal immigrants were detained by Home Affairs officials while counterfeit cigarettes and other illicit products were confiscated.

These efforts – registration and enforcement - must complement the policy and legislative interventions SARS has already put in place to broaden the scope of the amnesty.

Regulations prescribing the circumstances under which SARS may waive additional tax, interest and penalties for qualifying small businesses were published in the Government Gazette on Friday, April 20, 2007. These regulations took effect on publication. It allows for small businesses to apply to SARS to have additional tax, interest and penalties waived.

Such businesses may already be registered taxpayers and this category was initially excluded from the amnesty legislation.

SARS is confident that its engagement with businesses on various levels and various forums will contribute to a successful amnesty process.

ENDS.

Publication date: 25 April 2007