

## Media Releases 2007

### Media Statement by the Minister of Finance, Trevor A. Manuel (MP), on the announcement of New Income Tax Returns and Filing Process

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**JOHANNESBURG, 09 MAY 2007** -- The South African Revenue Service (SARS) today announces significant changes to how South African taxpayers submit their income tax returns.

The new, simplified submission process and the redesigned Income Tax return will make it considerably easier for individual and business taxpayers to complete and file their returns. At the same time it is intended ensure greater efficiency and faster turn-around times to SARS' internal processes in capturing, verifying and assessing the information submitted by taxpayers.

SARS remains conscious of the fact that these changes will require behavioural changes among registered taxpayers who have become accustomed to a filing process with a single annual deadline for submissions in July.

SARS will remain conscious of the increasing demands of a growing tax base to the organisation and will continue to improve its systems. Over the past decade the tax register has grown year-on-year by between 8% and 12%. The growth in the tax register, as well as ever improving levels of compliance, is a positive trend that bodes well for ensuring a sustainable revenue base.

The number of returns that need to be assessed every year has reached unprecedented volumes, and will continue to grow at around 8% per year over the next 3-5 years. This volume growth places a tremendous strain on the current capacity and is challenging the service level promised in the SARS Service Charter.

The changes outlined below represent the beginning of an exciting new journey in the interaction between SARS and some 7 million registered taxpayers – 5 million individuals, 1.7 million companies and 300 000 trusts.

The new submission process introduces the increased use of new information technology solutions that will ensure a far less burdensome filing experience to taxpayers. In this regard, for example, taxpayers this year will NOT be required to include ANY supporting documents – IRP5, IT3 forms from financial services providers, receipts of medical expenses, logbooks or petrol slips – to their income tax returns.

Taxpayers, however, need to ensure that they keep such supporting documents for a period of FIVE YEARS should the need arise for SARS to request them.

#### Details of Changes:

- 1. New design of Income Returns:** a simpler form; reduced pages; no supporting documents; no calculations
- 2. Address Verification:** returns will be posted. If a taxpayer has not received a return by end of August, contact the SARS call centre – 0860 12 12 18
- 3. Access to returns:** Simpler registration for eFiling: [www.sarsefiling.co.za](http://www.sarsefiling.co.za). Returns will be posted, available on DVD to employers or available at branch offices
- 4. Preparation for filing:** Period 9 May to 15 July 2007 – Time to collect information required to fill in return
- 5. Filing and Submission:** Individuals will receive returns by middle of July – Deadline for submissions for Individuals: 31 October 2007.  
Companies will receive returns in September 2007 – Deadline for submissions for Companies: 6 to 12 months after their financial year
- 6. eFiling:** benefits include faster turn-around times, delayed payments, automated objections; eFiling expanded to all income tax returns
- 7. Keep track of your return:** Taxpayer can obtain information on progress of return; call centre and branch offices to assist taxpayers
- 8. Risk detection and profiling:** news statistical methods to identify risk; automated risk profiling and validation; enhanced ability to identify errant taxpayers
- 9. Turnaround time on assessments:** quicker assessments and refunds; electronic submission (eFiling) will give quicker, more accurate assessment
- 10. Objections:** can be lodged electronically via eFiling; will speed up process
- 11. Payments and refunds:** paid electronically to taxpayer's bank account; no cheques will be issued, unless motivated.

For SARS the changes announced today is the start of a 3 year process of innovation that will introduce a number of improvements as the administration will endeavour to provide continuously improving services to South African taxpayers.

As part of its mandate SARS has an obligation to ensure that it has the requisite organisational capacity to effectively respond to the expected growth trends. I hope South African taxpayers will join us on this exciting journey.

ENDS.

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