

## 2008

### More time granted for employers to submit

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Pretoria, 31 August 2008 -- The South African Revenue Service (SARS) will grant a reprieve to employers/businesses in the country by allowing more time for them to submit payroll information without facing penalties.

The deadline for employers to submit PAYE reconciliation declarations (an EMP501 form) to SARS as well as the tax certificates (like an IRP5 form) on behalf of their employees was the close of business on Friday 29 August 2008. The result of failing to do so would have been strict penalties SARS would have imposed against defaulting employers.

By Friday's deadline 130 000 employers had submitted payroll declarations together with 10 million tax certificates of their employees. This will enable SARS to start preparing a unique, customised "pre-populated" income tax return for the first time for millions of individual taxpayers.

### The challenge of meeting the deadline

SARS decided to grant employers more time until 12 September 2008 to submit EMP501 declarations.

The new payroll reconciliation process and software introduced this year has required substantial change from businesses, payroll administrators, tax practitioners and, indeed for SARS itself!

Businesses have gone to great lengths to comply and many smaller businesses especially, have struggled to meet their obligations on time.

As a result a number of businesses, some business organisations and tax practitioners who want to comply have asked for more time.

On Friday, for example, the SARS call centre was able to answer 40 306 calls of which nearly half was from employers who needed assistance to do an electronic payroll reconciliation using the e@syFile software. More than 26 000 employers submitted EMP501 declaration on Friday.

SARS must single out the remarkable response by government institutions – collectively the largest employer in South Africa – who have met their obligations on time to allow over 1.1 million public servants to enjoy the benefits of a "pre-populated" return.

### The challenge of providing accurate information

A second challenge faced by both businesses and SARS is accuracy of information. Some tax certificates SARS received do not contain a tax reference number or have a different ID number or name to those on our records. Others show no records at all. Before SARS can fill in or "pre-populate" individual tax returns we need to be 100% confident that the information is correct.

SARS is working with employers, the Department of Home Affairs and other sources to clean-up the data but this process will take time.

### What does this mean for individuals?

**Individual taxpayers can from Monday 1 September 2008 request a manual customised income tax return from SARS. The 1st of September marks the beginning of the filing period for individuals and the second phase of the 2008 Tax Season.**

The income tax return will be further simplified and will only contain those income and deduction sections relevant to a particular tax payer. From tomorrow (1 September) taxpayers can:

- Obtain a tax return by completing the Income Tax Return Request (ITRR) form mailed to taxpayers last week and sending it back to SARS
- Call our new toll-free call centre number 0800 00 SARS (7277) where you can follow the voice prompts in six official languages (Afrikaans, English, isiZulu, Setswana, Tshivenda and Xitsonga) and order a tax return on the telephone

From 15 September paper versions of the return will be available from all SARS branch offices and electronically from SARS eFiling ([www.sarsefiling.co.za](http://www.sarsefiling.co.za)) for registered users.

ENDS.