

Media Releases 2009

SARS will not extend 20 November 2009 Tax Season deadline

Pretoria, Wednesday 11 November 2009 – The South African Revenue Service has received a number of requests from tax practitioners and their representative associations for an extension to this year's Tax Season deadline.

Among the reasons cited has been the unavailability of the eFiling system over the past weekend for the implementation of critical enhancements to ensure the smooth and uninterrupted availability of eFiling over the final two weeks of Tax Season when usage is expected to peak to record levels.

This, along with other issues of mutual concern, was discussed at a meeting yesterday between SARS, the South African Institute of Chartered Accountants (SAICA), the South African Institute of Professional Accountants (SAIPA) and the South African Institute of Tax Practitioners (SAIT).

At this meeting it was explained that the improvements to the eFiling system were intended to enhance accessibility to the system, allowing significantly more concurrent users to access eFiling at any given time in preparation for the final weeks of Tax Season. eFiling users were notified well ahead of time of the unavailability of the system.

It was further discussed that all on-going maintenance and necessary improvements to eFiling were timed to have the least impact on practitioners and taxpayers using the system – being confined daily to the hours between midnight and 4am and, when necessary, over weekends when log-ins and submissions are at their lowest. Submission statistics for Tax Season 2009 to date show that only between 3000 and 6000 returns are submitted over weekends compared to between 70 000 and 100 000 during the work day week.

So far more than 2.8 million tax returns have been received by SARS since the start of the filing period in July, marking an increase of 30 percent compared to the same time last year.

General submission trends and the fact that requests for extensions have become the norm in the final weeks of Tax Season each year were also discussed. In 2008 almost 50% of all returns submitted by the deadline were received in the deadline month. Despite a significant improvement in early filing this year, statistics show that South African taxpayers continue to procrastinate.

The meeting agreed that considering all of the above and for the reasons below there will be no extension to the 20 November 2009 deadline:

1. SARS has already granted more than three months additional time for provisional taxpayers in good standing with SARS to submit their annual income tax returns. These taxpayers, who form the bulk of practitioner clients and whose tax returns are generally more complex, have until 28 February 2010 to submit their returns. Approximately 25% of all income tax returns are submitted by provisional taxpayers.
2. In announcing the introduction of tough new penalties recently SARS has made it clear that such new penalties will apply from 23 November 2009 and will first be implemented in respect of the worst offenders – i.e. taxpayers with outstanding returns for multiple years.

SARS believes the new penalties and firmer deadlines are necessary to promote compliance and assist tax practitioners in getting delinquent and lethargic clients to submit their documents. The professional bodies welcomed this delayed implementation of these tough new penalties. Professional bodies further welcomed the acceptance and announcement of the alternative eFiling date of 28 February 2010 for compliant provisional taxpayers.

ENDS