

Media Releases 2009

Tax Season 2009 sets phenomenal new records!

Pretoria, 27 November 2009 – By the Tax Season deadline on Friday 20 November 2009, the South African Revenue Service (SARS) had received a remarkable, new record number of over 4 million returns for individuals and trusts that were submitted, exceeding the 2008 filing experience by a some 800 000 or 26%!

At a time when our economy contracted into recession and within the context of a global economic meltdown, SARS views the breakthrough of the 4 million mark as a major step towards improved tax compliance in this country.

The public response to Tax Season 2009 – and the phenomenal new record figures set – is a major, positive indicator of the growing levels of tax compliance in our country. Throughout last week thousands of taxpayers patiently stood in long queues at our branch offices, others sought help from our call centre, while many thousands of others filed an electronic tax return through eFiling.

SARS wants to thank all taxpayers who submitted on time and ahead of the deadline.

Equally, I want to recognise the extraordinary efforts by the 15 000 officials in our organisation who went to enormous lengths to assist taxpayers - often until late at night and far beyond normal office hours. They have helped to create a capable, efficient public institution that can provide the highest levels of professional service to millions of taxpayers.

SARS officials have demonstrated that public servants can be responsive, innovative and committed in the face of strenuous demands and deadline pressure from many thousands of taxpayers. The performance and capability of this organisation during Tax 2009 demonstrates that the levels of service efficiency, our automated systems and our accurate processing turn-around times are comparable to any private sector institution.

1. Overview of Tax Season 2009

A number of new records were set based on the preliminary figures:

- Overall income tax returns submitted by the deadline (for all years for individuals and trusts) exceeded 4 million for the first time (4.06 million)
- Individual income tax returns (including outstanding returns from previous years) totalled over 3.9 million
- Individual income tax returns submitted electronically on eFiling (for all years) exceeded 2 million for the first time (2.17 million) – more than a 100% increase over 2008
- Individual returns captured electronically at a branch offices for all years substantially exceeded the 1 million mark (1.43 million)
- On the deadline day last week over 230 000 returns were submitted –
 - Nearly 200 000 via eFiling compared to 144 000 on the last day last year
 - This number (200 000) is more than ten times higher than the typical submission rate on eFiling during the Tax Season
- The 33 550 returns captured at branch offices on the last day this year should be compared to approximately 10 000 returns per day branch offices normally processed during the Tax Season
- Total number of calls to the SARS call centre during week totalled over 275 000 compared to approximately 164 000 last year.
- On the last day the call centre attended to some 65 000 calls – on average call centre volumes register between 25 000 and 30 000 per day during non-peak periods

2. Processing improvements

The continued growth in electronic submission via branch offices and eFiling – coupled with the new automated assessment process – resulted in further significant gains in the finalisation of assessments:

- Approximately 97% of all individual income tax returns for the 2009 Tax Year were assessed within 24 hours compared with approximately 66% in 2008
- Average turnaround time improved from 15 days in 2008 to 1.7 days in 2009
- The earlier Tax Season deadline this year, coupled with improved compliance from taxpayers resulted in more than double the number of returns processed this year to date, versus last year – approximately 3.9 million versus 1.7 million in 2008

3. Compliance improvements

Direct comparisons between 2008 and 2009 are difficult due to the different filing season deadlines. However, a clear picture of improved levels of compliance has emerged amongst individual taxpayers who submitted a return on time - from 58% in 2008 to 79% in 2009.

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4. New administrative penalties

It is clear that the announcement in October this year of new, tougher administrative penalties against non-compliant taxpayers had a significant impact on the levels of compliance which may have been motivated more by fear rather than moral conscience.

While many taxpayers with outstanding returns made use of the window of opportunity to avoid these penalties by submitting all outstanding returns by 20 November 2009, there remain a disappointingly high number of returns outstanding for the 2009 and prior tax years.

SARS will now begin to implement the new administrative penalties for repeat offender taxpayers with multiple outstanding returns. These taxpayers face a minimum penalty of R250 per return outstanding per month until the return is filed.

Penalty assessment notices will be issued to the first group of such taxpayers (comprising approximately 250 000 individuals) over the next few weeks.

Those who submit a return before the penalty assessment is raised can still avoid the penalty so taxpayers with outstanding returns should immediately submit these returns at their nearest SARS branch or via eFiling.

Taxpayers wishing to check whether they have any outstanding returns can do so at any SARS branch or by calling the SARS Contact Centre at 0800 00 SARS (7277). For security purposes, they must have their ID number and tax reference number at hand when they call or visit.

Provisional taxpayers who are in good standing with SARS (i.e. do not have outstanding returns except for the current 2009 tax year) and who file via eFiling have until 28 February 2010 to submit their returns. However, they must make payment of any assessed tax within 7 days of the assessment.

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