

EXTERNAL GUIDE

ADMINISTRATION OF TURNOVER TAX

REVISION HISTORY TABLE

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30-01-2020	7	Revision 7– Updated with the removal of banking details
28-04-2020	8	Revision 8 – Updated with the Covid-19 Tax Relief

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1 OVERVIEW

- This guide in its design, development, implementation and review phases is guided and underpinned by the SARS values, code of conduct and the applicable legislation. Should any aspect of this guide be in conflict with the applicable legislation the legislation will take precedence.
- The introduction of Turnover Tax is part of Government's broader mandate to encourage entrepreneurship and to create an enabling environment for micro businesses to be profitable, sustainable and to grow. For more information on this, please refer to the Draft Tax Guide for Micro Businesses on the SARS website (www.sars.gov.za).
- Turnover Tax was introduced for micro businesses with a qualifying turnover of R1 million or less per annum and came into effect for years of assessment commencing on or after 1 March 2009. The objective of this is to streamline tax compliance requirements for micro businesses and to reduce the administrative burden, thereby reducing the overall cost of complying with tax obligations.
 - Please note that any reference to a section in this guide, unless otherwise specified, refers to a section of the Income Tax Act No. 58 of 1962 (the Act).
 - Where reference is made to an Act other than the Income Tax Act, it will be specified.
 - Any reference to a paragraph in this guide, unless otherwise specified, refers to the Sixth Schedule to the Act.

2 APPLICATION FOR TURNOVER TAX

2.1 APPLICATION FORM

- To register as a micro business for Turnover Tax, a TT01 application form must be completed in full.

Note: certain fields are mandatory and if not completed will result in the automatic rejection of the application.

- This application form can be obtained through the following channels:
 - The SARS website www.sars.gov.za > Types of Tax > Turnover Tax;
 - At any SARS branch.
- TT01(a) – Application for Turnover Tax form (Manual Completion) can be printed and completed at home and be submitted to SARS.
- TT01 – Application for Turnover Tax form (Online completion) will require the taxpayer to complete the mandatory fields before printing it out to be submitted to SARS.
- This completed TT01 application form must be submitted to a SARS branch or via post to the following addresses:

Postal address	Physical Address
P.O.Box 436 Pretoria 0001	7 Protea Street Centurion Pretoria 0157

- The eFiling option is not yet available for submission of the Turnover Tax (TT01) Application Form.

- When requesting a TT01 application form, you will be required to complete the Quick Test screen before a form can be created.

INFORMATION TO DETERMINE IF A BUSINESS QUALIFIES FOR TURNOVER TAX
This page helps to determine if a business qualifies to register for Turnover Tax
TT01

Quick Test for Individuals and Companies

By answering the following questions you will be able to determine if a business meets the criteria to qualify for turnover tax registration.

If the answer to any one of the following questions is "No", the business will not qualify for "Turnover Tax" registration for that year of assessment.

A partner in more than one partnership will not qualify for "turnover tax". The other partners may still qualify if they are only partners in a single partnership and do not answer "No" to any of the questions below.

Please refer to the Tax Guide for Micro Business for assistance with completing the test.

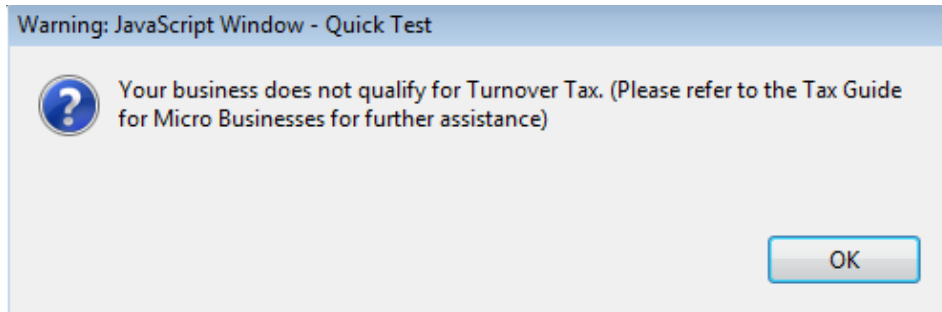
1. Will the "qualifying turnover" of the business be less than or equal to R1 million for the year of assessment? Y N
2. Do you declare that the business is not a "personal service provider" or a "labour broker" without a SARS exemption certificate? Y N
3. Does the business trade in one of the following forms: sole proprietor, partnership, close corporation, co-operative or company? Y N
4. If the business is a partnership, do you declare that all the partners will be individuals throughout the year of assessment? Y N
5. If the business is a close corporation, co-operative or company, do you declare that all of the shareholders/members will be individuals throughout the year of assessment? Y N
6. Do you declare that the business is not a public benefit organisation, recreational club association of persons or a small business funding entity? Y N
7. Does the business have a year of assessment that ends on the last day of February? Y N

Quick Test (continued)

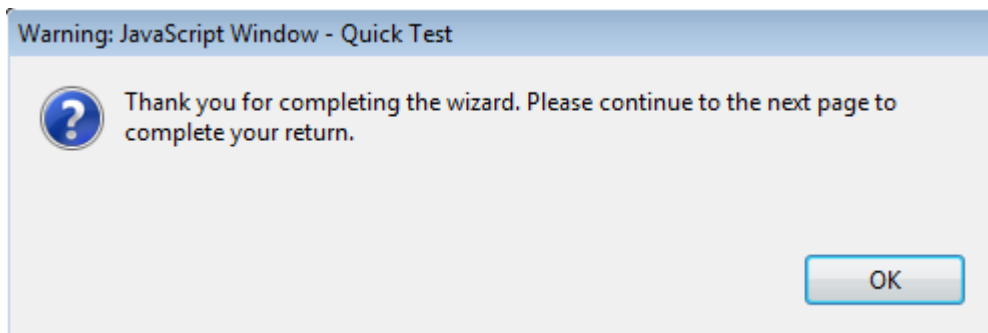
8. Do you declare that the owner, any partner, shareholders, members and the business do not hold shares/interests in a close-corporation, company, or cooperative other than the following exceptions: Y N
 - Listed South African companies;
 - Collective investment schemes;
 - Body corporates and share block companies;
 - Venture capital companies;
 - Less than 5% in social or consumer co-operatives;
 - Less than 5% in co-operative burial societies or primary savings co-operative banks;
 - Friendly societies;
 - Any other company that did not trade during any year of assessment, and which did not own assets with a total market value that exceeds R5 000 during any year of assessment;
 - Any company that has taken steps to liquidate, wind up or deregister
9. a) If you are a natural person, do you declare that the income from "professional services" is not expected to exceed 20% of your total receipts during the year of assessment? Y N
b) If the business is a company, close corporation or co-operative, do you declare that the income from "professional services" and "investment income" is not expected to exceed 20% of the total receipts for the year of assessment? Y N
10. Do you declare that the income from the disposal of assets by the business over the year of assessment and the past two years of assessment is not expected to exceed R1.5 million in total? Y N
11. Do you declare that the business was not previously registered for the Turnover Tax? Y N

Note: If the answer to any of the Quick Test questions is "No", the business will not qualify for Turnover Tax.

- If the Quick Test screen is not completed correctly or one of the answers is "NO", the following message will pop-up:



- When the taxpayer has completed the Quick Test screen click on the button "Create Form" and the following message will pop-up:



2.1.1 PARTICULARS OF THE APPLICANT

- Tick the appropriate box to indicate whether the **applicant** is a:
 - Sole proprietor (individual)
 - Partnership
 - Close corporation
 - Co-operative
 - Company

Note: Failure to tick any of the boxes will result in the rejection of your application.

- **Establishment date**

- This is the date on which the business was started. Please ensure that the CCYYMMDD format is used, e.g. 20020601 for a business that started trading on 01 June 2002.

Note: This section is mandatory.

- **Registered name**

- This is the name that the business is legally registered under with the relevant authority, e.g. Companies and Intellectual Property Commission (CIPC).

Note: This is a mandatory field only if the close corporation, co-operative or company box at the top of the form is ticked.

- **Trading/other name**

- This is the name under which the business trades or by which it is generally known to its customers.

Note: This section is mandatory.

- **Income Tax Reference Number**

- This is the registration number that a business obtains from SARS when it registers for income tax.

Note: This section is mandatory.

- **PAYE Reference Number**

- This is the registration number that a business obtains from SARS when it registers for Pay-As-You-Earn (PAYE).

- **VAT Number**

- This is the registration number that a business obtains from SARS when it registers for Value-Added Tax.

- **CIPC Registration Number**

- This is the registration number that a close corporation, co-operative or company obtains when it registers with CIPC.

Note: This is a mandatory field only if the close corporation, co-operative or company box at the top of the form is ticked.

- **Main income source code**

- This is the code for a specific sector in the economy, e.g. manufacturing, from which the business's main income is derived. The codes for the various sectors in the economy can be found in **Annexure A**.

Note: This section is mandatory.

2.1.2 BUSINESS ADDRESS

- This is the physical address of the business, i.e. the premises the business is trading from.
 - If the business is trading from a flat or townhouse, the actual flat or townhouse unit number must be inserted in “unit no”
 - The name of the block or the block of flats or townhouse complex must be inserted in “complex”, and
 - Where the business does not trade from a flat, townhouse or complex these fields are left blank.
 - Street Number;
 - Street/Name of farm;
 - Suburb/District;
 - City/Town; and
 - Postal code.

Note: This section is mandatory.

2.1.3 POSTAL ADDRESS

- This is the address that the business would like its post to be sent to. It may be the same as the business address above or it may be a post box number or other address. If it is the same as the business address simply, mark the relevant box with an “X”.
- If the answer is “No”, the following fields will be displayed as open and editable:
 - Postal Agency or Other Sub-unit (if applicable) (e.g. Postnet Suite ID)
 - PO Box: Indicate on the applicable tick box if the postal address is ‘P.O. Box’ or ‘Private Bag’.
 - Private Bag: Indicate on the applicable tick box if the postal address is ‘P.O. Box’ or ‘Private Bag’.
 - Other PO Special Service (specify);
 - Post Office;
 - Postal Code;
 - Registered Postal Address indicator.

Note: This section is mandatory.

- Fax Number;
- Passport Number;
- Passport country (e.g. South Africa = ZAF);
- Date of Appointment (CCYYMMDD);
- Cell Number;
- Email Address.

Particulars of Sole Proprietor/Applying Partner/Public Officer										PPOINF01				
First Name											Initials			
Surname											Home tel no			
Position held											Bus tel no			
ID No.				Date of Birth (CCYYMMDD)				Income tax ref no.				Fax no.		
Passport no.				Passport Country e.g South Africa= ZAF				Date of appointment (CCYYMMDD)				Cell no.		
E-mail Address														

2.1.6 PARTICULARS OF THREE PARTNERS/MEMBERS/SHAREHOLDERS

- Where there are two or more Partners/Members/Shareholders, they must complete the number of Partners/Members/Shareholders.

Note: All the fields in this section are mandatory. However, the applicant can provide either his/her ID number or a passport number, i.e. both need not be provided. He or she must also provide at least one contact phone number.

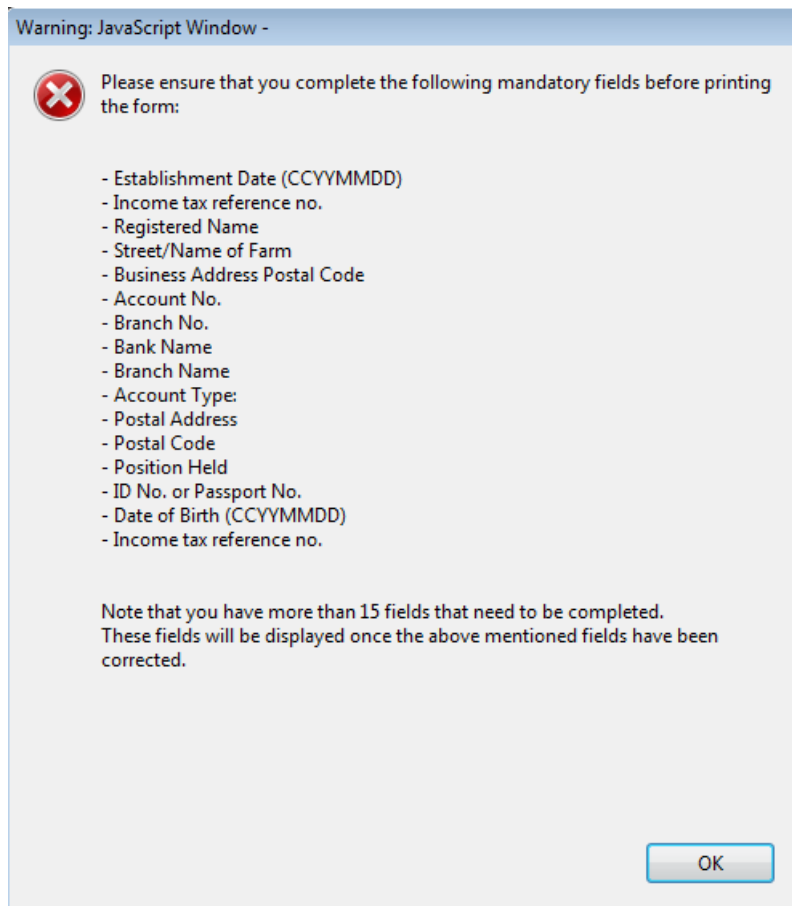
Particulars of Three Partners/Members/Shareholders				
Number of partners/members/shareholders	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			

2.1.7 PARTICULARS OF PARTNERS/MEMBERS/SHAREHOLDERS

- Complete the following fields for Partners/Members/Shareholders:
 - First Name;
 - Initials;
 - Surname;
 - Income Tax Reference Number;
 - ID Number;
 - Passport Number;
 - Passport Country (e.g. South Africa = ZAF);

Particulars of Three Partners/Members/Shareholders													
Number of partners/members/shareholders	0 0 0 2												
Particulars 1													
First name											Initials		
Surname											Income tax ref no.		
ID no.				Passport no.				Passport Country e.g South Africa= ZAF					
Particulars 2													
First name											Initials		
Surname											Income tax ref no.		
ID no.				Passport no.				Passport Country e.g South Africa= ZAF					

Note: If the taxpayer is printing the TT01 form, without completing mandatory fields an error message will be displayed:



Note: If the taxpayer does not want to submit the form immediately or if there is uncertainty about details on the form or certain information needs to be recaptured, the taxpayer can either:

- Click “Save” to retain captured information and complete the form at the later stage ;or
- Click “Reset” to restart capturing information on the form; or
- Click “Print” to print the form to sign and submit the return to SARS.



2.1.8 DECLARATION

- After all the information fields have been completed, the applicant is required to complete, print and sign the declaration on the first page of the application form. Failure to do so will result in the application being rejected.

Declaration

I declare that:

- The information furnished in this application is true and correct; and
- The business qualifies to be registered for Turnover Tax according to the "Quick Test" (attached).

Signature

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Please ensure you sign over
the 2 lines of 'X's above

Date
(CCYYMMDD)

For enquiries go to
www.sars.gov.za or call
0800 00 SARS (7277)

3 COMPLETION OF THE ANNUAL TURNOVER TAX RETURN (TT03)

3.1 HOW TO OBTAIN AND SUBMIT A TURNOVER TAX RETURN

- The qualifying registered micro business can obtain the TT03 via the following SARS channels:
 - By visiting a SARS branch;
 - On the SARS website: www.sars.gov.za > Tax Types > Turnover Tax.
- When the TT03 is correctly completed it can be submitted via the following channels:
 - By visiting a nearest SARS branch;
 - The following addresses must be used for submitting Turnover Tax Return (TT03):

Postal address	Physical Address
PO Box 436 Pretoria 0001	7 Protea Street Centurion Pretoria 0157

3.1.1 HOW TO COMPLETE THE TURNOVER TAX RETURN

- The TT03 will not be populated with information therefore; all the mandatory fields must be completed. The return will be rejected if the mandatory fields are not completed.

3.1.2 TAXPAYER INFORMATION

- The following information must be completed on the TT03:
 - Select the relevant taxpayer type. Please ensure the correct box is marked for the appropriate form to be generated in full for completion:
 - Individual – if you are a sole proprietor or a partner in a partnership
 - Company – if completing for a close corporation, company or co-operative.

- The Income Tax Reference Number.
- The year of assessment - this is the period commencing on 1 March of a previous year to the end of February of the current year.

Note: The “Personal details” container is required if “Individual” has been selected as a taxpayer type or “Company/Close Corporation” container if “Company” has been selected as a taxpayer type.

Turnover Tax Return TT03

Taxpayer Information TXPIF001

Type: Individual Company
Turnover tax ref no.
Year of assessment

- If “Individual” is selected as a taxpayer type, the following information must be completed:
 - First two names: This is a mandatory field;
 - Surname: This is a mandatory field;
 - Initials: This is a mandatory field;
 - Date of birth: This is a mandatory field;
 - Identity number: You must complete this field if you are a South African resident
 - Passport number: This number must only be completed if you do not have an identity number;
 - Passport Country: This field will be pre-populated with “ZAF”, representing South Africa. If this is not applicable, change to the relevant country. Refer to the list of country codes as per Annexure B.
 - Marital status: This field is mandatory;
 - Contact telephone numbers;
 - Contact email;
 - Spouse details: Completion of these fields is mandatory if you have indicated your marital status as “married in community of property” and must be completed in full
 - If you have indicated your marital status as “Married out of community of property / not married”, the spouse details would not be displayed.

- The following fields are mandatory for **Individuals**:

- Year of Assessment;
- Turnover Tax Reference Number;
- Surname/Registered Name
- First Names;
- Identity Number;
- Initials;
- Cell Number;
- Passport Number;
- Date of Birth (CCYYMMDD);
- Home Telephone Number;
- Business Telephone Number;
- Fax Number;

Personal Details INDIF001

First two names	<input style="width: 100%;" type="text"/>										
Surname	<input style="width: 100%;" type="text"/>										
Initials	<input style="width: 30px;" type="text"/>	Date of birth (CCYYMMDD)	<input style="width: 40px;" type="text"/>	ID no.	<input style="width: 100%;" type="text"/>						
Passport no.	<input style="width: 100%;" type="text"/>			Passport country (e.g South Africa= ZAF)	<input type="checkbox"/>	Married in community of property	<input type="checkbox"/>	Married out of community of property	<input type="checkbox"/>	Not married	<input type="checkbox"/>
Home tel no	<input style="width: 30px;" type="text"/>	Bus tel no	<input style="width: 30px;" type="text"/>	Fax no.	<input style="width: 30px;" type="text"/>	Cell no.	<input style="width: 100%;" type="text"/>				
E-mail address	<input style="width: 100%;" type="text"/>										
Spouse Initials	<input style="width: 30px;" type="text"/>	Spouse ID No.	<input style="width: 30px;" type="text"/>	Spouse Passport no.	<input style="width: 100%;" type="text"/>			Passport country (e.g South Africa= ZAF)	<input style="width: 30px;" type="text"/>		

3.1.3 COMPANY/CLOSE CORPORATION DETAILS

- If “Company” is selected as a taxpayer, type the following information must be completed:
 - Registered name: The name that appears on your Companies and Intellectual Property Commission registration certificate;
 - Trading name;
 - Company/Close Corporation registration number: the number as per the Companies and Intellectual Property Commission registration certificate;
 - Financial **year end**: this must be captured as year, month and day (CCYYMMDD).
- The following fields are mandatory for a **Company**:
 - Year of Assessment;
 - Turnover Tax Reference Number;
 - Registered Name;
 - Trading Name;
 - Financial Year End (CCYYMMDD);
 - Account Number;
 - Branch Number;
 - Account Type;
 - Bank Name;
 - Account Holder Name;
 - Suburb/District;
 - City/Town;
 - Postal Code;
 - Street/Name of Farm;
 - Country Code.

Company/Close Corporation Details	
Registered name	<input type="text"/>
Trading name	<input type="text"/>
Company/ CC reg no.	<input type="text"/>
Financial year end (CCYYMMDD)	<input type="text"/>

3.1.4 BANK ACCOUNT DETAILS

- It is imperative that you ensure that your bank account details are correct, as refunds will be delayed if bank details are not provided or incorrect.
 - If you do not have a local bank account (cheque or savings/transmission), indicate such by placing an “X” next to the applicable field.
 - The “No local Saving/Cheque Bank Account Declaration” fields and “Reason for no Local Savings/Cheque bank account” fields becomes mandatory:
 - Select the relevant reason for no bank account details
 - Place “X” on the “Agreement Statement” check box to declare that the information provided for non local bank account is true and correct.
 - If you do have a local cheque or account savings/transmission, the relevant fields become mandatory and must be completed.
- Where your banking details have changed from the previously submitted details, presentation of supporting documents in person by the individual or entity’s representative is required, refer to section 3.2.4 below. The supporting document must be submitted at the nearest SARS branch.

- The following fields are mandatory:
 - Account Number;
 - Branch Number;
 - If you cannot find the code on list, please enquire with your bank.
 - Account Type;
 - Account Holder Name;
 - Bank Name;
 - Branch Name.
- If neither the tick box nor banking details are completed, the return will be sent back to you as incomplete.

Note:

- **SARS will not pay a refund into an account of a third party.**
- **For correct banking and universal codes details, refer to your bank branch.**

3.1.5 BANKING DETAIL CHANGES

- With effect from 1 July 2011, the process to change banking details requires a verification process.
- Where you request banking details to be changed on your TT03, you **must** visit your nearest SARS branch in person for the verification and change of banking details.
- Should you require any further information concerning banking detail changes, you can:
 - Visit your nearest SARS branch; or
 - Visit the SARS website.

Bank Account Details		Any refunds will be delayed if bank details are not provided		BNK1F001 ■	
Mark here if you do not have a local savings or cheque account	<input type="checkbox"/>	Account no.	<input type="text"/>	Branch no.	<input type="text"/>
Account holder name		Account type: Cheque		Savings / Transmission	
<input type="text"/>		<input type="checkbox"/>		<input type="checkbox"/>	
Bank name		<input type="text"/>			
Branch name		<input type="text"/>			

3.1.6 PHYSICAL ADDRESS

- This is the physical address of the business, i.e. the premises where the business is trading.
 - If the business is trading from a flat or townhouse, the actual flat or townhouse unit number must be inserted in “unit no”
 - The name of the block or the block of flats or townhouse complex must be inserted in “complex”, and
 - Where the business does not trade from a flat, townhouse or complex these fields are left blank.
 - Street Number;
 - Street/Name of Farm;
 - Suburb/District;
 - City/Town; and
 - Postal Code.

Note: This section is mandatory.

Physical Address			
Unit no.	<input type="text"/>	Complex (if applicable)	<input type="text"/>
Street no.	<input type="text"/>	Street / Name of farm	<input type="text"/>
Suburb/ District	<input type="text"/>		
City/ Town	<input type="text"/>		
Country code (e.g. South Africa = ZA)	<input type="text"/>	Postal code	<input type="text"/>

3.1.7 POSTAL ADDRESS

- This is the address that the business will use to send its post. It may be the same as its business address above or it may be a post box number or other address. If it is the same as the business address simply, mark the relevant box with an “X”.
- If the answer is “No”, the following fields will be displayed as open and editable:
 - Postal Agency or Other Sub-unit (if applicable) (e.g. Postnet Suite ID)
 - PO Box: Indicate on the applicable tick box if the postal address is ‘P.O. Box’ or ‘Private Bag’.
 - Private Bag: Indicate on the applicable tick box if the postal address is ‘P.O. Box’ or ‘Private Bag’.
 - Other PO Special Service (specify)
 - Post Office;
 - Postal Code;
 - Registered Postal Address indicator.

Note: This section is mandatory.

Postal Address			
Mark here with an "X" if same as above or complete your Postal Address.	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	Country code (e.g. South Africa = ZA)	Postal code

3.1.8 TAX PRACTITIONER DETAILS

- If the service of a tax practitioner is used to complete the return, the tax practitioner must complete this information.

Tax Practitioner Details	
Tax practitioner registration no.	<input type="text"/>
Tax practitioner's tel no.	<input type="text"/>
Tax practitioner's email address	<input type="text"/>

3.1.9 TAXPAYER'S SIGNATURE AND DECLARATION

- The TT03 is a legal declaration to SARS declaring the total receipts that the taxpayer has received during a specific tax year.
- The owner or legal representative is obliged to ensure that a full and accurate disclosure is made of all relevant information as required in the TT03. Misrepresentation, neglect or failure to submit a return, or supplying false information can give rise to interest, penalties and/or prosecution.
- After completion of the return, the owner or legal representative must read the declaration of the return and sign accordingly.

- Please note if a return is submitted to SARS without being signed, it will be returned and be regarded as outstanding. This could result in penalties being levied for the late submission of the return.

Declaration ADDIF001

I declare that:

- The information furnished in this return is true and correct; and
- The relevant records to support the information in this return are available for inspection for a period of five years from the date SARS receives the return.

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

Please ensure you sign over the two lines of "X"s above

Date (CCYYMMDD)

For enquiries go to www.sars.gov.za or call 0800 00 SARS (7277)

3.1.10 VOLUNTARY DISCLOSURE PROGRAMME (VDP)

- Where an approved VDP agreement exists between yourself and SARS, make sure that you have:
 - Inserted an "X" in the "Y" box;
 - Completed the VDP application number.
- Should you require more information, a Comprehensive Guide concerning VDP is available on the SARS website www.sars.gov.za

Voluntary Disclosure Programme

Is this declaration made in respect of a VDP agreement with SARS? (Applicable to years of Assessment prior to 2011) Y N

VDP Application No.

3.1.11 PUBLIC OFFICERS PARTICULARS

- Complete this section if "Company" was selected as a taxpayer type. The following fields must be captured:
 - Surname;
 - Cell Number;
 - Initials;
 - Date of Appointment;
 - Identity Document Number;
 - Other Telephone Number;
 - Passport Number;
 - Passport Country;
 - Email address.

Public Officer Particulars RPPIF001

Surname Cell no

Initials Date of Appointment (CCYYMMDD) ID no. Other Tel no

Passport no Passport country (e.g. South Africa = ZA)

E-mail address

3.1.12 TURNOVER TAX CALCULATION

- This part of the guide is a step by step process that is designed to assist the taxpayer to determine the taxable turnover. The taxable turnover will be used to determine the final tax liability for the year of assessment.
- The following information must be captured in the TT03:
 - Select the relevant taxpayer type. Please ensure the correct box is marked for the appropriate form to be generated in full for completion:
 - Individual – if you are a sole proprietor or a partner in a partnership

Turnover Tax Calculation

Sole proprietors and Partnerships INDCL001

Type of Business Sole proprietor Partnership

If partnership, state taxpayer's share of the partnership profit as a percentage. %

- Company – if completing for a close corporation, company or co-operative

Turnover Tax Calculation

Companies, Close Corporations and Cooperatives COMCL001

Type of Business Company Close Corporation Cooperative

▪ Individuals

- Select the relevant type of business:
 - Sole proprietor, if you are an individual running your own business
 - Partnership, if you are an individual in a partnership.
 - If partnership, state taxpayer's share of the partnership as a percentage.
- **Sole proprietor.**
- Determine the total amounts received from business activities excluding investment income and *capital receipts* (e.g., *sale of assets used mainly for business purposes*).
- **Note:**
 - Investment income is any income in the form of annuities, dividends, foreign dividends, interest, rental derived in respect of immovable property, royalties, or income of a similar nature and any proceeds derived from the disposal of financial instruments.
 - This income will be taxed in the hands of the individual/sole proprietor as per the normal income tax rules and an Income Tax Return (ITR12) is required to be submitted to declare the investment income separately (and any other non-micro business income such as salary). This will allow the individual/sole proprietor to access the income tax exemptions for interest and dividends.
- Determine “*Inclusions*” to be declared on the TT03 as follows:
 - *50% of receipts of a capital nature;*

- Determine the total of the sales of business assets that were mainly used for business purposes for the year of assessment. For this purpose, trading stock consisting of immovable property should be excluded as well as financial instruments. Where the business asset is immovable property, only include that portion of the sale that can be attributed to the part of the property that was used for business purposes. Calculate 50% of the total of the sale of business assets and add it to the gross receipts.
- Determine “Exclusions” to be declared on the TT03 as follows:
 - *Turnover from business activities carried on outside South Africa*
 - Determine the total of the sales from business activities outside South Africa for the year of assessment and deduct this from the gross receipts.
 - *Government grants(section 12P) and/or funding received from a SARS approved small business funding entity (section 10(1)(zK)*
 - Determine the total of Government grants as contemplated in section 12P and/or funding received from a SARS approved small business funding entity (section 10(1)(zK) received for the year of assessment and deduct this from the gross receipts. These grants are specifically exempted from Income Tax.
 - *Amounts previously subjected to Income Tax*
 - Amounts that were previously subjected to Income Tax should not be taxed again and should therefore be deducted from the gross receipts.
 - *Refunds paid or received in respect of goods and services*
 - Credit notes: For example, damaged goods returned.
 - *Taxable Turnover*
 - The Turnover Tax liability of the business for the year of assessment will be determined by SARS by applying the appropriate tax rate as per the annual Turnover Tax rates.
 - *Amount received from rendering Professional Services*
 - In the case of natural persons, if more than 20% of total receipts are received due to the rendering of a professional service, you will not qualify for the Turnover Tax regime and you will be taxed under the normal Income Tax system.
- Indicate whether you are in receipt of any income other than trading income:
 - An ITR12 must be submitted with the TT03 if “Y” was selected. Refer to the SARS website: www.sars.gov.za on how to request and submit an Income Tax Return (ITR12).

Turnover Tax Calculation

Sole proprietors and Partnerships INDCL001

Type of Business Sole proprietor Partnership

If partnership, state taxpayer's share of the partnership profit as a percentage. %

If the business is a partnership, the information requested below must be for the partnership as a whole. A partner's share of the taxable turnover based on the profit sharing percentage will be determined by SARS on assessment.

Amounts received from business activities excluding investment income and capital receipts (e.g. sale of business assets) R

Add: 50% of sale of business assets R

R

Less: Turnover from business activities carried on outside South Africa R

Less: Government grants (section 12P) and / or funding received from a SARS approved small business funding entity (section 10(1)(zK)) R

Less: Amounts previously subjected to income tax R

Less: Refunds paid or received in respect of goods and services R

Taxable turnover R

Amount received from rendering "Professional services" R

Are you in receipt of any taxable income other than trading income? Y N

- **Example:** A sole proprietor, who received the following amounts for the year of assessment:
 - Sales R359 600
 - Sales of business assets – sewing machine R 4 000
 - Interest from the business bank account R 1 000
 - Turnover from business activities carried outside SA R 5 400
- Taxable turnover for the year of assessment will be determined as follows:

Turnover Tax Calculation

Sole proprietors and Partnerships INDCL01

Type of Business Sole proprietor Partnership

If partnership, state taxpayer's share of the partnership profit as a percentage. %

If the business is a partnership, the information requested below must be for the partnership as a whole. A partner's share of the taxable turnover based on the profit sharing percentage will be determined by SARS on assessment.

Amounts received from business activities excluding investment income and capital receipts (e.g. sale of business assets) R 3 5 9 6 0 0

Add: 50% of sale of business assets R 4 0 0 0

R 3 6 3 6 0 0

Less: Turnover from business activities carried on outside South Africa R 5 4 0 0

Less: Government grants (section 12P) and / or funding received from a SARS approved small business funding entity (section 10(1)(zK)) R 0

Less: Amounts previously subjected to income tax R 0

Less: Refunds paid or received in respect of goods and services R

Taxable turnover R 3 5 8 2 0 0

Amount received from rendering "Professional services" R 0

Are you in receipt of any taxable income other than trading income? Y N

- The taxable turnover of R358 200 will be assessed by SARS. According to the 2019 Turnover Tax rates, the Turnover Tax payable on R358 200 is R232 (R358 200 less R335 000 x 1%). Assuming that the taxpayer made interim payments of R116 in August and R116 in February, the assessment will show that the amount owing, after taking the interim payments into account, is nil (R232 less R116 less R116).
- An ITR12 must be submitted to declare the R1, 000 interest but will be exempt from tax since it is below the exempt interest threshold (any other income, for example salary income is also to be declared in the ITR12). The ITR12 must be submitted with the TT03. Refer to the SARS website: www.sars.gov.za on how to request and submit an ITR12.

3.1.13 PARTNERSHIPS

- The process is the same for sole proprietors in 3.2.11.2 except that the final taxable turnover of the business will be apportioned and taxed in the hands of each partner based on the profit sharing ratio as per the partnership agreement. The total turnover of the business must therefore be declared (it is important to note that the qualifying turnover of the partnership may not exceed R1 million for the tax year in question).
- **Example:** Two brothers are partners in an electronic equipment repair business. They share the profits of the business equally, do not have any other business interests, and were never registered for Income Tax previously. Their business received the following amounts for the year of assessment:

□	<i>Amounts from repairs</i>	<i>R800 000</i>
□	<i>Sales of business assets – repair equipment</i>	<i>R 30 000</i>
□	<i>Interest from the business bank account</i>	<i>R 2 000</i>
□	<i>Rental from a portion of their property</i>	<i>R 6 000</i>
□	<i>Amount received due to business activities in Australia</i>	<i>R 8 000</i>
□	<i>Grant received from government(section 12P) and/or funding received from a SARS approved small business funding entity (section 10(1)(zK)</i>	<i>R 1 000</i>
□	<i>Amounts received but taxed in previous years</i>	<i>R 3 500</i>
□	<i>Credit note</i>	<i>R 1 000</i>

- Their taxable turnover for the year of assessment will be determined as follows:

Turnover Tax Calculation	
Sole proprietors and Partnerships	
Type of Business	Sole proprietor <input type="checkbox"/> Partnership <input checked="" type="checkbox"/>
If partnership, state taxpayer's share of the partnership profit as a percentage:	50 %
<small>If the business is a partnership, the information requested below must be for the partnership as a whole. A partner's share of the taxable turnover based on the profit sharing percentage will be determined by SARS on assessment.</small>	
Amounts received from business activities excluding investment income and capital receipts (e.g. sale of business assets)	R 8 0 0 0 0 0 0
Add: 50% of sale of business assets	R 1 5 0 0 0 0
	R 8 1 5 0 0 0
Less: Turnover from business activities carried on outside South Africa	R 8 0 0 0
Less: Government grants (section 12P) and / or funding received from a SARS approved small business funding entity (section 10(1)(zK)	R 1 0 0 0
Less: Amounts previously subjected to income tax	R 3 5 0 0
Less: Refunds paid or received in respect of goods and services	R 1 0 0 0
Taxable turnover	R 8 0 1 5 0 0
Amount received from rendering "Professional services"	R 0
Are you in receipt of any taxable income other than trading income?	Y <input type="checkbox"/> N <input type="checkbox"/>

- Since this is a partnership, the taxable turnover will be taxed in the hands of each partner based on the profit sharing percentage the partners share profits equally, each partner will be taxed as follows:
 - The taxable turnover of business X profit sharing % (R801 500 x 50%) R400 750. The tax of each partner on taxable turnover as per the 2019 Turnover Tax rates is R657.50 (R400 750 less R335 000 x1%). Assuming that each partner made interim payments of R328.75 in August and R328.75 in February, his/her assessment will show that the amount owing, after taking the interim payments into account, is nil (R657.50 less R328.75 less R328.75).

Note: The interest of R1 000 (R2 000 x 50%) will be taxed in the hands of each partner according to the normal Income Tax rules but will be exempt from tax since it is below the interest exemption threshold. The rental income of R3 000 (R6 000 x 50%) will also be taxable in the hands of each partner. Any other income for each partner where relevant, for example, salary is also to be declared in each partner's ITR12.

- Indicate whether you are in receipt of any income other than trading income:
 - An ITR12 must be submitted with the TT03 if "Y" was selected. Refer to the SARS website: www.sars.gov.za on how to request and submit an ITR12.

3.1.14 CLOSE CORPORATIONS, COMPANIES AND COOPERATIVES

- Select the relevant type of business:
 - Company
 - Close Corporation
 - Co-operative.
- Determine "*Total amounts received from business activities excluding investment income and capital receipts (e.g. sale of business assets)*".
 - This is the total of amounts received from business activities in South Africa. This amount will be referred to as gross receipts for the determination of the taxable turnover.
 - Investment income is generally annuities, dividends, foreign dividends, interest, rental derived in respect of immovable property, royalties, or income of a similar nature and any proceeds derived from the disposal of financial instruments.

Adjust the gross receipts by adding:

- "*50% of sales of business assets*"
 - Determine the total of the sales of business assets for the year of assessment. Where the business asset is immovable property, only include that portion of the sale that can be attributed to the part of the property that was used for business purposes. Calculate 50% of the total of the sale of business assets and add it to the gross receipts.
- "*Investment income (except local and foreign dividends)*"
 - Investment income like annuities, dividends, foreign dividends, interest, rental derived in respect of immovable property, royalties, or income of a similar nature and any proceeds derived from the disposal of financial instruments received by the business must be added to gross receipts.

- Adjust the gross receipts by deducting the following:

- *Turnover from business activities carried on outside South Africa*
 - Determine the total of the sales from business activities outside South Africa for the year of assessment and deduct this from the gross receipts.
 - *Government grants(section 12P) and/or funding received from a SARS approved small business funding entity (section 10(1)(zK)*
 - Determine the total of Government grants received for the year of assessment and deduct this from the gross receipts. These grants are specifically exempted from Income Tax.
 - *Amounts previously subjected to Income Tax*
 - Amounts that were previously subjected to income tax should not be taxed again and should therefore be deducted from the gross receipts.
 - *Refunds paid or received in respect of goods and services*
 - Credit notes: for example damaged goods.
- Taxable turnover
 - The taxable turnover will be used to assess the Turnover Tax liability of the business for year of assessment.
 - The only difference from individuals and partnerships is that investment income (interest, rentals, annuities and royalties), with the only exception of Local and Foreign dividends, will be included in full in the taxable turnover of the Company/Close Corporation/Co-operative.
 - The process for determining the taxable turnover for Close Corporations, Companies and Cooperatives is summarised in the following table:
- The total “*Amount received from professional services*” rendered during the year of assessment must be stated on the return.
 - If more than 20% of total receipts are received due to investment income and the rendering of a professional service, the company will not qualify for the Turnover Tax regime and must be taxed under the normal income tax system.
- Indicate the amount of “*Dividends declared for the year of assessment*” by the company.
 - Investment income excluding dividends is included in taxable turnover.
 - The first R200 000 is exempt from dividends withholding tax, however, any amount in excess of R200 000 will be subject to the dividends withholding tax.

Example: Micro CC is a close corporation with five members. Its main business concerns the sale and distribution of computer hardware and software in South Africa and to neighbouring countries. On small scale, it also offers its clients a computer repair service. After being on the income tax register for a while, Micro CC decided to register for Turnover Tax. The business received the following amounts for the year of assessment:

□	Amounts from sales in South Africa	R885 000
□	Amounts from sales outside South Africa	R100 000
□	Amounts from services and repairs	R 25 000
□	Government grant that is exempt from income tax (Section 12P) and/or funding received from a SARS approved small business funding entity (section 10(1) (zK)	R 5 000
□	Sales of business assets – packaging machine	R 10 000
□	Dividends from investments in another company	R 4 000
□	Interest from the business bank account	R 6 000
□	Credit note	R 4 500
□	Amounts previously subjected to income tax	R 15 000

Note:

- The credit note relates to a refund received by Micro CC for faulty equipment that was returned to the supplier.

- The sales figure includes an amount of R15 000 received from a client in South Africa for a contract concluded in the previous year of assessment. The R15 000 had accrued to Micro CC in the previous year of assessment and was already subject to normal Income Tax.
- The amount for services and repairs constitutes professional services.

Determine taxable turnover:

□ Sales in SA	R885 000
□ Add: Sales outside SA	R100 000
□ Professional Services	R 25 000
□ Total amounts received	R1 010000

Turnover Tax Calculation	
Companies, Close Corporations and Cooperatives	
Type of Business	Company <input type="checkbox"/> Close Corporation <input checked="" type="checkbox"/> Cooperative <input type="checkbox"/>
Amounts received from business activities excluding investment income and capital receipts (e.g. sale of business assets)	R 1 0 1 0 0 0 0 0
Add: 50% of sale of business assets	R 5 0 0 0 0
Add: Interest received	R 6 0 0 0 0
Add: Rental income received	R 0
Add: Annuities received	R 0
Add: Royalties received	R 0
	R 1 0 2 1 0 0 0 0
Less: Turnover from business activities carried on outside South Africa	R 5 0 0 0 0
Less: Government grants (section 12P) and / or funding received from a SARS approved small business funding entity (section 10(1)(zK))	R 1 5 0 0 0 0
Less: Amounts previously subjected to Income tax	R 4 5 0 0 0
Less: Refunds paid or received in respect of goods and services	R 0
Taxable turnover	R 9 9 6 5 0 0
Amount received from rendering "Professional services"	R 2 5 0 0 0 0
Dividends declared for the year of assessment	R 4 0 0 0 0

- The taxable turnover of R996 500 will be assessed by SARS. According to the 2019 Turnover Tax rates, the Turnover Tax payable on R996 500 is R14 045 (R6 650 + 3% of an amount exceeding R750 000, namely R996 500 = R7 395). Assuming that the taxpayer made interim payments of R10 000 in August and R3 045 in February, the assessment will show that the amount owing, after taking the interim payments into account, is R1 000 (R14 045 less R10 000 less R3 045).
- As the total "Amount received from professional services" rendered during the year of assessment is less than 20% of total receipts the company will qualify for the Turnover Tax regime.
- As the first R200 000 is exempt from dividends withholding tax, the R4000 will not be subject to the Dividends Withholding Tax.

3.1.15 ASSESSMENT OF TAXABLE TURNOVER

- SARS will assess the taxable turnover of each business, based on the above determination, to calculate the Turnover Tax liability of the business. The Turnover Tax liability of the business for the year of assessment will be calculated by applying the appropriate Turnover Tax rate (available on the SARS website) to the taxable turnover.

- Ideally, the interim payments that were made by the business by the last business day of August and February of the year of assessment should be sufficient to discharge this liability in full. However, if there is an excess or a shortfall, this will be refunded or recovered by SARS on assessment.

4 COMPLETION OF THE PAYMENT ADVICE FOR TURNOVER TAX (TT02)

4.1 HOW TO REQUEST, COMPLETE AND MAKE PAYMENT

- The qualified registered micro business can obtain a Payment Advice for Turnover Tax (TT02) via the following SARS channels:
 - By visiting a SARS branch.
 - On the SARS website: www.sars.gov.za > Tax Types > Turnover Tax.
 - A bank - When payment is made, it is essential that the 'Beneficiary ID' and 'Payment Reference Number' (PRN) be quoted. The TT02 will assist with this and other matters relating to interim payments. Refer below on how the 'Payment Reference Number' is structured.

Tax types	Tax type indicator	Date format	Beneficiary IDs applicable to listed banks
Turnover Tax	P	Unique 19-digit PRN appearing on the relevant payment form (payment allocation is for 3 rd period only)	SARS-PROV

Note. The TT02 is for taxpayer's record and it should not be submitted to SARS.

- When the micro business is registered for Turnover Tax, the taxpayer is required to make a first and second interim payment for a particular year of assessment. These two interim payments are used to offset against the final Turnover Tax liability on assessment as per the annual Turnover Tax return for that year of assessment.
- Due to the Corona Virus Infection Disease (COVID-19) outbreak, Government has put measures in place aimed at assisting to alleviate cash flow problems.
- **The “qualifying micro business”** is a micro business as defined in the Sixth Schedule to the Income Tax Act that –
 - is a taxpayer as defined in section 151 of the Tax Administration Act; and
 - is tax compliant as referred to in section 256(3) of the Tax Administration Act when relying on a deferral under this Act; and under the national lockdown defined below:
- **“National Lockdown”** is the national lockdown under the regulations published by Government Notice No. 318 of 18 March 2020 under the Disaster Management Act, 2002 (Act No. 57 of 2002), starting on 26 March and ending on a date determined by the Cabinet member designated under section 3 of that Act.
- The qualifying micro business may -
 - during the period commencing on 1 April 2020 and ending on 30 September 2020, in respect of interim payments payable in terms of paragraph 11(1) of the Sixth

- Schedule to the Income Tax Act, pay 15 per cent instead of 50 per cent of the amount of tax so calculated in terms of that paragraph; and
- during the period commencing on 1 April 2020 and ending on 31 March 2021, in respect of interim payments payable in terms of paragraph 11(4) of the Sixth Schedule, pay 50 per cent instead of an amount equal to the amount of tax calculated in terms of that paragraph less the amount paid in terms of paragraph 11(1) of the Sixth Schedule.
- The Interim payments deferred in terms of the above information will be due and payable by the micro business by the date of payment as specified in a notice of assessment.
 - No penalties in terms of paragraph 11(6) of the Sixth Schedule will be levied on amounts deferred in terms of the above information.
 - No interest in terms of paragraph 11(3) and (5) of the Sixth Schedule will be charged in respect of interim payments deferred in terms of the above information.
 - The above-mentioned proposals will not apply to a micro business that -
 - has failed to submit any return as defined in section 1 of the TAA as required by section 25 of the TAA; or
 - has any outstanding tax debt as defined in section 1 of the TAA, but excluding a tax debt -
 - in respect of which an agreement has been entered into in accordance with section 167 or 204 of the TAA;
 - that has been suspended in terms of section 164 of the TAA; or
 - that does not exceed the amount referred to in section 169(4) of the TAA.
 - However, penalties and interest will apply in instances where, upon assessment, it is discovered that a micro business does not qualify for relief under Disaster Management Act, 2002 (Act No. 57 of 2002). The usual procedures for requests for remittance of such penalties will be available in such cases.
 - For purposes of the calculation of the 65/35 per cent payment spread instead of the normal 50/50 per cent , see explanation below on how to calculate it:
 - Company B has a 28 February 2021 FYE; meaning that its interim provisional tax payment will fall during the temporary period. As such, the first interim tax payment (due by 31 August 2020) will be R120 000 (15 per cent of its estimated total tax liability of R800 000 for the year) instead of R400 000, allowing temporary relief of R280 000. As a further relief measure only 50 per cent of the estimated tax liability (R400 000) will be due by 28 February 2021, so that the cumulative total tax paid at that point is 65 per cent of the estimated total tax liability. The remaining balance of R280 000 (35 per cent of estimated tax liability) will be due and on assessment in order to avoid interest charges.
 - Note: Micro business does not have the third topping up option as that is available to provisional taxpayers therefore they must pay the different amount once the notice of assessment is issued.

4.2 REGISTRATION PARTICULARS

- Complete following fields:
 - Registered Name;
 - Turnover Tax Reference Number;
 - Turnover Tax period.

Note. This Section is mandatory.

Registration Particulars

Registered Name															
Taxpayer Ref No.						Turnover Tax Period (CCYYMM)									

4.3 TURNOVER TAX CALCULATION

- Complete the following fields:
 - Estimated taxable turnover for the full year of assessment.
 - Tax on the estimated taxable turnover (apply the applicable Turnover Tax Rates – Annexure D).
 - Tax payable for this period (refer to Turnover Tax liability refer to **Annexure D**).

Note. This Section is mandatory.

Turnover Tax Calculation

A. Estimated taxable turnover for the full year of assessment	R											,		
B. Tax on estimated taxable turnover (Apply Turnover Tax Table)	R											,		
Tax payable for this period (refer to the Turnover Tax liability)	R											,		

4.4 PAYMENT NOTES

- These are rules when making payments to SARS; adherence is required to allocate the payment to the correct account.
- Complete following fields:
 - Name;
 - Reference Number;
 - Name of banking institutions;
 - Bank Account Name;
 - Payment Reference Number;
 - Amount payable.

SARS		TURNOVER TAX		TT02
		Payment Advice		
Name				
Reference Number				
<small>NOTE: SARS branches do not accept cash and will only accept cheque payments under R50 000. Banking institutions will accept both cheque and cash payments. Cheque payments made via a drop box at a SARS office must be placed in the drop box before 15:00 if it is to be recorded as being paid on that day. If not such payments will be recorded as having been paid on the next business day. The payment reference number must be quoted at all times when making a payment.</small>	Name of banking institution			
	Bank account name	SARS-PROV		
	Payment reference number			
	Amount payable			

- In the case of a Company:
 - Its year of assessment ends on a date other than the last day of February;
 - At any time during its year of assessment, any holder of shares in that micro business is a person other than a natural person (or the deceased or insolvent estate of a natural person);
 - At any time during its year of assessment, any holder of shares in that micro business holds any shares or has any interest in the equity of any other company other than a share or interest described in paragraph 4: Provided that the provisions of this item do not apply to the holding of any shares in or interest in the equity of a company.
- If the company— has not during any year of assessment –
 - Carried on any trade; and

- Owned assets, the total market value of which exceeds R5 000; or
 - Has taken the steps contemplated in section 41(4) to liquidate, wind up or deregister: Provided further that this paragraph ceases to apply if the company has at any stage withdrawn any step so taken or does anything to invalidate any step so taken, with the result that the company will not be liquidated, wound up or deregistered;
 - It is a public benefit organisation approved by the Commissioner in terms of section 30;
 - It is a recreational club approved by the Commissioner in terms of section 30A;
 - It is an association approved by the Commissioner in terms of section 30B; or
 - It is a small business funding entity approved by the Commissioner in terms of section 30C;
- In the case of a person that is a Partner in a Partnership during that year of assessment :
 - Any of the person in that partnership is not a natural person;
 - That person is a partner in more than one partnership at any time during that year of assessment;
 - The qualifying turnover of that partnership for that year of assessment exceed the amount of R1 million.
- A business that no longer qualifies to be registered for Turnover Tax will be deregistered from the first day of the month following the month in which it no longer qualifies.
 - A registered micro business will also be deregistered from Turnover Tax if it closes down. The business will be deregistered from the day following the day on which it ceased to exist and care must be taken to ensure that income from winding up, such as the disposal of assets, is accounted for in taxable turnover.
 - If a business closed down or in the case of a deceased estate, the normal deregistration process must be followed as for sequestrated/liquidated companies and deceased estates.
 - If the increase in the qualifying turnover of that person to an amount greater than the amount described in paragraph 2 (refer to the questions on the wizards) is of a nominal and temporary nature, the person must apply to the Commissioner for a decision whether the person must remain a registered micro business or not.

Note:

- If qualifying turnover of that person is greater than the R1 million as prescribed by legislation, is of a nominal value and is of a temporary nature (for example a once off tender contract), it is the taxpayer's responsibility to inform SARS within 21 business days after becoming aware of the fact that the R1 million qualifying turnover is going to be exceeded, in a form of a letter of request together with any supporting document(s) to motivate that their registered micro business still qualifies for Turnover Tax even though it will exceed R1 million for that year of assessment.
- If the micro business fails to disclose/motivate or cannot demonstrate that the amount greater than the R1 million threshold is of a nominal value and temporary nature, this will then trigger SARS to automatically deregister a registered micro business from Turnover Tax and register the business for normal Income Tax.

Note: Registered micro businesses are allowed to be registered for Turnover Tax as well as VAT as from 1 March 2012. Also, note that as from 1 March 2014, a registered micro business may elect to only submit VAT and/or PAYE returns on a six-monthly basis, at the end of August and February of each tax year.

5 PERMISSIBLE SHARES AND INTEREST

- The disqualification in terms of paragraph 3(a) or 3(F)(iii) does not apply to a share or interest -
 - In a company of the definition of "listed company";
 - In a portfolio in a collective investment schemes;
 - In a company body corporates and share block companies;
 - In a venture capital companies in section;
 - That constitutes less than 5% of the interest in a social or consumer or co-operatives or co-operative burial;
 - That constitutes less than 5% of the interest in a or primary savings co-operative banks or primary savings and loans co-operative banks;
 - In any friendly societies;

6 RECORD KEEPING

- A registered micro business must retain a record of the following documents for audit purposes:
 - Amounts received during a year of assessment;
 - Dividends declared during a year of assessment;
 - Each asset at the end of a year of assessment with a cost price of more than R10,000;
 - Each liability at the end of a year of assessment exceeding R10, 000.

7 CONCLUSION

- Should you require any further information which is not addressed in this brochure:
 - Visit the SARS website at www.sars.gov.za;
 - Visit your nearest SARS branch;
 - Contact your registered tax practitioner;
 - If calling from within South Africa, contact the SARS Contact Centre on 0800 00 7277;
 - If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).

8 DEFINITIONS AND ACRONYMS

%	Percent
CCYMMDD	Century, Year, Month, Date – e.g. 2009.03.01
CIPC	Companies and Intellectual Property Commission
COVID-19	Corona Virus Infection Disease - 2019
FYE	Financial Year End
Investment Income	Any income in the form of annuities, dividends, foreign dividends, interest, rental derived in respect of immovable property, royalties, or income of a similar nature; and Any proceeds derived from the disposal of financial instruments;
PAYE	Pay As You Earn

Qualifying Turnover	Means the total receipts from carrying on business activities, excluding any— (a) amount of a capital nature; and (b) amount exempt from normal tax in terms of section 10(1)(zK) or 12P; The business does not exceed the amount of R1 million in any year of assessment.
SARS	The South African Revenue Service (SARS)
SDL	Skills Development Levy
SM	Service Manager
SOP	Standard Operating Procedure
TAA	Tax Administration Act
TT	Turnover Tax
TT01/TT01 (a)	Turnover Tax registration form
UIF	Unemployed Insurance Fund
VAT	Value-Added Tax

9 ANNEXURE A

- **MAIN INCOME SOURCE CODES:**

- **Source code Description**

3534	Agencies & other services
3501	Agriculture, forestry & fishing
3511	Bricks, ceramics, glass, cement and similar products
3523	Catering and accommodation
3509	Chemicals & chemical, rubber & plastic products
3505	Clothing & footwear
3510	Coal & petroleum products
3520	Construction
3527	Educational services
3519	Electricity, gas & water
3525	Finance, insurance, real estate & business services
3503	Food, drink & tobacco
3506	Leather, leather goods & fur (excluding footwear and clothing)
3514	Machinery & related items
3529	Medical, dental, other health & veterinary services
3535	Members of CC/Director of company
3512	Metal
3513	Metal products (except machinery and equipment)
3502	Mining & stone quarrying works
3518	Other manufacturing industries
3508	Paper, printing & publishing
3532	Personal & household services
3526	Public administration
3531	Recreational & cultural services
3528	Research & scientific institute
3522	Retail trade
3517	Scientific, optical & similar equipment
3530	Social & related community services
3533	Specialised repair services
3504	Textile

3516	Transport equipment (except vehicle, parts and accessories)
3524	Transport, storage & communication
3515	Vehicle, parts & accessories
3521	Wholesale trade
3507	Wood, wood products& furniture

10 ANNEXURE B

- LIST OF COUNTRY CODES ARE ALIGNED WITH THE ISO3166 STANDARD

Description	Code	Description	Code	Description	Code
Afghanistan	AFG	Honduras	HND	Seychelles	SYC
Åland Islands	ALA	Hong Kong	HKG	Sierra Leone	SLE
Albania	ALB	Hungary	HUN	Singapore	SGP
Algeria	DZA	Iceland	ISL	Saint Maarten (Dutch part)	SXM
American Samoa	ASM	India	IND	Slovakia	SVK
Andorra	AND	Indonesia	IDN	Slovenia	SVN
Angola	AGO	Iran, Islamic Republic of)	IRN	Solomon Islands	SLB
Anguilla	AIA	Iraq	IRQ	Somalia	SOM
Antarctica	ATA	Ireland	IRL	South Africa	ZAF
Antigua and Barbuda	ATG	Isle of Man	IMN	South Georgia and the South Sandwich Island.	SGS
Argentina	ARG	Israel	ISR	South Sudan	SSD
Armenia	ARM	Italy	ITA	Spain	ESP
Aruba	ABW	Jamaica	JAM	Sri Lanka	LKA
Australia	AUS	Japan	JPN	Sudan (the)	SDN
Austria	AUT	Jersey	JEY	Suriname	SUR
Azerbaijan	AZE	Jordan	JOR	Svalbard and Jan Mayen	SJM
Bahamas(the)	BHS	Kazakhstan	KAZ	Sweden	SWE
Bahrain	BHR	Kenya	KEN	Switzerland	CHE
Bangladesh	BGD	Kiribati	KIR	Syrian Arab Republic	SYR
Barbados	BRB	Korea (the Democratic People's Republic of)	PRK	Taiwan(Province of China)	TWN
Belarus	BLR	Korea (the Republic of)	KOR	Tajikistan	TJK
Belgium	BEL	Kosovo	XK	Tanzania, United Republic of TZA	TZA
Belize	BLZ	Kuwait	KWT	Thailand	THA
Benin	BEN	Kyrgyzstan	KGZ	Timor-Leste	TLS
Bermuda	BMU	Lao People's Democratic Republic(the)	LAO	Togo	TGO
Bhutan	BTN	Latvia	LVA	Tokelau	TKL
Bolivia(Plurinational State of)	BOL	Lebanon	LBN	Tonga	TON
Bonaire, Saint Eustatius and Saba	BES	Lesotho	LSO	Trinidad and Tobago	TTO
Bosnia and Herzegovina	BIH	Liberia	LBR	Tunisia	TUN
Botswana	BWA	Libya	LYB	Turkey	TUR
Bouvet Island	BVT	Liechtenstein	LIE	Turkmenistan	TKM

Brazil	BRA	Lithuania	LTU	Turks and Caicos Islands (the)	TCA
British Indian Ocean Territory(the)	IOT	Liechtenstein	LBY	Tuvalu	TUV
Brunei Darussalam	BRN	Luxembourg	LUX	Uganda	UGA
Bulgaria	BGR	Macao	MAC	Ukraine	UKR
Burkina Faso	BFA	Macedonia (the former Yugoslav Republic of)	MKD	United Arab Emirates(the)	ARE
Burundi	BDI	Madagascar	MDG	United Kingdom of Great Britain and Northern Ireland (the)	GBR
Cape Verde	CPV	Malawi	MWI	US Minor Outlying Islands(the)	UMI
Cambodia	KHM	Malaysia	MYS	United States of America(the)	USA
Cameroon	CMR	Maldives	MDV	Uruguay	URY
Canada	CAN	Mali	MLI	Uzbekistan	UZB
Cayman Islands(the)	CYM	Malta	MLT	Vanuatu	VUT
Central African Republic(the)	CAF	Marshall Islands(the)	MHL	Venezuela (Bolivarian Republic of)	VEN
Chad	TCD	Martinique	MTQ	Viet Nam	VNM
Chile	CHL	Mauritania	MRT	Virgin Islands (U.S.)	VIR
China	CHN	Mauritius	MUS	Wallis and Futuna	WLF
Christmas Island	CXR	Mayotte	MYT	Western Sahara	ESH
Cocos (Keeling) Island(the)	CCK	Mexico	MEX	Yemen	YEM
Colombia	COL	Micronesia(Federated States of)	FSM	Zambia	ZMB
Comoros(the)	COM	Moldova (the Republic of)	MDA	Zimbabwe	ZWE
Congo(the Democratic Republic of the)	COD	Monaco	MCO		
Congo(the)	COG	Mongolia	MNG		
Cook Islands(the)	COK	Montenegro	MNE		
Costa Rica	CRI	Montserrat	MSR		
Côte d'Ivoire	CIV	Morocco	MAR		
Croatia	HRV	Mozambique	MOZ		
Cuba	CUB	Myanmar	MMR		
Curaçao	CUW	Namibia	NAM		
Cyprus	CYP	Nauru	NRU		
Czech Republic	CZE	Nepal	NPL		
Denmark	DNK	Netherlands(the)	NLD		
Djibouti	DJI	New Caledonia	NCL		
Dominica	DMA	New Zealand	NZL		
Dominican Republic(the)	DOM	Nicaragua	NIC		
Ecuador	ECU	Niger(the)	NER		
Egypt	EGY	Nigeria	NGA		
El Salvador	SLV	Niue	NIU		
Equatorial Guinea	GNQ	Norfolk Island	NFK		
Eritrea	ERI	Northern Mariana Islands (the)	MNP		

Estonia	EST	Norway	NOR		
Eswatini	SWZ	Oman	OMN		
Ethiopia	ETH	Pakistan	PAK		
Falkland Islands(the) {Malvinas}	FLK	Palau	PLW		
Faeroe Islands(the)	FRO	Palestine, State of	PSE		
Fiji	FJI	Panama	PAN		
Finland	FIN	Papua New Guinea	PNG		
France	FRA	Paraguay	PRY		
French Guiana	GUF	Peru	PER		
French Polynesia	PYF	Philippines (the)	PHL		
French Southern Territories (the)	ATF	Pitcairn	PCN		
Gabon	GAB	Poland	POL		
Gambia(the)	GMB	Portugal	PRT		
Georgia	GEO	Puerto Rico	PRI		
Germany	DEU	Qatar	QAT		
Ghana	GHA	Réunion	REU		
Gibraltar	GIB	Romania	ROU		
Greece	GRC	Russian Federation(the)	RUS		
Greenland	GRL	Rwanda	RWA		
Grenada	GRD	Saint-Barthélemy	BLM		
Guadeloupe	GLP	Saint Helena Ascension and Tristan da Cunha	SHN		
Guam	GUM	Saint Kitts and Nevis	KNA		
Guatemala	GTM	Saint Lucia	LCA		
Guernsey	GGY	Saint-Martin (French part)	MAF		
Guinea	GIN	Saint Pierre and Miquelon	SPM		
Guinea-Bissau	GNB	Saint Vincent and the Grenadines	VCT		
Guyana	GUY	Samoa	WSM		
Haiti	HTI	Sao Tome and Principe	STP		
Heard and McDonald Islands	HMD	Saudi Arabia	SAU		
Holy See(the)	VAT	Senegal	SEN		
		Serbia	SRB		

11 ANNEXURE C

- Turnover Tax rates – year of assessment
- Any year of assessment (1 March 2016 - 28 February 2021)

Taxable turnover	Rate of tax
0 - R335 000	0% of taxable turnover
R335 001 - R500 000	1% of taxable turnover above R335 000

R500 001 - R750 000	R1650 + 2% of taxable turnover above R500 000
R750 001 and above	R6650 +3% of taxable turnover above R750 000

- Any year of assessment on (1 March 2015 - 29 February 2016)

Taxable turnover	Rate of tax
0 - R335 000	0% of taxable turnover
R335 001 - R500 000	1% of taxable turnover above R335 000
R500 001 - R750 000	R1650 + 2% of taxable turnover above R500 000
R750 001 and above	R6650 +3% of taxable turnover above R750 000

- For years of assessment ending on 28 February 2013, 2014 and 2015.

Taxable turnover	Rate of tax
0 – R150 000	0% of taxable turnover
R150 001 – R300 000	1% of taxable turnover above R150 000
R300 001 – R500 000	R1500 + 2% of taxable turnover above R300 000
R500 001 – R750 000	R5500 + 4% of taxable turnover above R500 000
R750 000 and Above	R15500 + 6% of taxable turnover above R750 000

12 ANNEXURE D

- **TURNOVER TAX LIABILITY-** The table demonstrates the required payment periods and due dates for interim payments to be made.
 - Payment Period;
 - Due Date; and
 - Value.

Turnover Tax Liability		
Payment Period	Due Date	Value
01	31 August	% of tax on estimated taxable turnover for the year of assessment
02	28/29 February	Tax on estimated taxable turnover for the year of assessment less amount paid for payment period 01
Misc	N/A	Payment due on assessment or Ad-hoc payment to top-up account

DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).