Practitioner connect

Welcome to the electronic newsletter for Tax Practitioners. In line with our commitment to improve direct communication with practitioners this newsletter will contain information and updates to help you in the services you that you deliver to taxpayers. Please use the feedback option to rate the newsletter.

Tax Administration Act signed into law

The Tax Administration Act is now law. The Act is intended to simplify and provide greater coherence in South African tax administration law.

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How to remove old clients from your profile

A tax practitioner can remove clients by following some easy steps on eFiling.

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Employers set new record

SARS Commissioner Oupa Magashula has praised the country's employers for setting a new record when they submitted their reconciliation declarations of the PAYE withheld and the remuneration and allowances paid to the almost 14.9 million taxpayers currently registered with SARS.

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How to reset a password on eFiling

Many eFilers struggle to login in to eFiling because they have forgotten their username or password. There is a functionality on eFiling which allows users to obtain a reminder of their username or to reset their password.

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- **One million milestone reached in 23 days**

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Disclaimer: Practitioner Connect is an information guide and not a binding general ruling. Where a ruling is required in respect of any tax matter, any SARS branch can be approached. For general enquiries you can also call the SARS Contact Centre on 0800 00 7277.

SARS

At Your Service

Tax Administration Act signed into law

The Tax Administration Bill was promulgated into law as Act 28 of 2011 in Government Gazette 35491 of 4 July 2012. In terms of section 272 of the Act, the Act will come into operation on a date to be determined by the President by proclamation in the Gazette. SARS's preparations for the implementation of the Act are at an advanced stage and it anticipated that it will come into operation within the next three months.

The Act is intended to simplify and provide greater coherence in South African tax administration law. It eliminates duplication, removes redundant requirements and aligns disparate requirements that currently exist in different tax Acts ranging in age from 4 to 63 years old. It creates a single, modern framework for the common administrative provisions of the tax Acts.

Most taxpayers are compliant and the Act should ensure better service and a lower compliance cost for them. SARS is, however, duty bound to actively pursue tax evaders in order to maintain compliant taxpayers' confidence in the integrity of the tax system.

Some key features of the Act are:

- A phased move to a single registration process and number across taxes, to reduce red tape and streamline the system, and self-assessment of taxes, so taxpayers need not wait for a SARS assessment;

- Greater access to third party data, to underpin SARS initiatives such as the pre-population of individual tax returns;

- Clearer rules on SARS access to information, so tax liabilities can be determined more quickly and accurately;

- The ability to search business premises without a warrant in narrowly defined situations where the general requirement for a warrant would defeat the object of the search, so SARS can act when tax is at serious risk and time is of the essence;

- Clear requirements and timelines for the issue of tax clearance certificates, to provide greater certainty and responsiveness to business;

- Feedback on audit progress and findings, to engage more fully with taxpayers and ensure they understand the reasons for any adjustments;

- Specific timeframes for decisions of the Tax Board (a "small claims court" for tax) and wider reporting of Tax Court decisions, to improve access to justice; and

- The appointment of a Tax Ombud, informed by international experience, to provide taxpayers with a low cost mechanism to address administrative issues that could not be resolved through SARS's normal channels.

Although the Act provides for a year from its commencement for the appointment of the Tax Ombud, the Minister of Finance announced in his 2012 Budget Speech that the Tax Ombud will be appointed this year.

The Act benefitted from two rounds of public consultation in 2009 and 2010, while in draft form, as well as the thorough Parliamentary process that followed its introduction by the Minister of Finance on 23 June 2011. For more information visit the SARS website or click here.

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How to remove old clients from your profile

1. An eFiling client with Administration access rights, can delete a previous client as follows:
    Please first ensure that the following has been done:

    *   All tax types linked to the taxpayer have been deactivated
    *   There are no pending tax type transfer requests for the associated taxpayer
    *   The taxpayer is not the only taxpayer linked to the eFiling client

2. A check of the above conditions will always be conducted systematically prior to providing the client with the ability to submit a delete request.

3. Then you can do the following:
    1. Go to the main menu of "Organisations".
    2. On the drop-down menu (left of the page) please access the function "Delete Taxpayer".
    3. A second screen will then be displayed where the deletion can be processed.
    4. Ensure that the Taxpayer List at the top of the page contains the detail of the Taxpayer to be deleted.
    5. At the bottom of the page is a radio button 'Delete Taxpayer".
    6. Once this option has been selected a confirmation message will be displayed if successful or a rejection reason supplied if unsuccessful.

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Employers set new record

While Tax Season for Individuals started on 1 July, there is a very important step that takes place from April to end May every year when employers submit their reconciliation declarations of the PAYE withheld and the remuneration and allowances paid to the almost 14.9 million taxpayers currently registered with SARS.

According to SARS Commissioner Oupa Magashula, a record number of 14.4 million IRP5 certificates had been received by SARS – a 32% increase over the previous year. He said the IRP5 data was crucial to enable SARS to pre-populate the income tax returns for individual taxpayers who are required to submit returns as part of Tax Season for individuals.

At the start of Tax Season 2012 there were approximately 10.7 million pre-populated tax returns awaiting completion and submission by taxpayers. This was 1.2 million – or 12.5% - more than were ready at the start of Tax Season last year.

"Credit for this year's increase in pre-populated returns must go to South Africa's employers who have responded very positively to this year's Tax Season and I would like to take this opportunity to thank them for their partnership in the income tax process.

"The employers of this country – from large multinational corporations to small start-ups with one or two staff – perform a vital and sometimes thankless task in managing a huge part of the income tax process. Without their on-going support and contribution, we could not provide South Africa with the funds it requires and we could not offer taxpayers the ease and convenience of pre-populated returns, rapid assessments, no supporting documents and, in some cases, not having to file a return at all," Commissioner Magashula said.

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How to reset a password on eFiling

Many eFilers struggle to log-in to eFiling because they have forgotten their username or password. There is functionality on eFiling which allows users to obtain a reminder of their username or to reset their password.

If you have forgotten your username or need to reset your password, all you have to do is to go to the eFiling page, then click login in the top right hand corner.

A screen will appear with a button to click accompanied by text which says: *"For a reminder of your username or to reset your password, click here".*

If you click on that button the next screen appears which gives you the option to obtain your username or to reset your password.

In the event where you may have forgotten both your login name and password, you will need to first complete the 'I forgot my login name' process, wait for your email and/or sms notification containing your login name, and then use this login name to complete the 'I forgot my password' process.

The other option is to use the IVR system on call the SARS Contact Centre. Via IVR you will need to authenticate your details and then you will be able to reset your password. Or you can speak to an agent at the Contact Centre on 0800 00 SARS (7277).

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Other snippets

1. The Tax Exemption Unit has moved to the old Landbank Building, 271 Veale Street Nieuw Muckleneuk. The email address of the unit remains teu@sars.gov.za

2. Appointments with the Tax Practitioner Unit: Practitioners in the Pretoria area can request an appointment with a SARS Agent at the Tax Practitioner Unit in Bronkhorst Street. To request an appointment please complete the form that is available on this link. The appointment will be confirmed with you via email within three working days after submitting this online form.

3. Income Tax Returns – please note that SARS will not capture an individual taxpayer's income tax return when the taxpayer is a client of a Tax Practitioner, as this is the responsibility of the Tax Practitioner. In addition all such taxpayers must be registered on the practitioner's profile not on the profile of an individual taxpayer.

4. The SARS YouTube channel contains fun and useful videos that demonstrate how to register for eFiling, submit a return via eFiling and how to submit supporting documents. Check out the videos at this link http://www.youtube.com/sarstax

5. Supporting documents requested by SARS via eFiling can be scanned in and sent via eFiling. However, the only file types which may be uploaded are .jpg, .gif, .pdf, .doc, .docx, .xls and .xlsx. The maximum allowable size of each file uploaded is 2MB per document. You can upload and submit up to 20 individual documents, limited to 2MB each, for a total of 40MB. Password protected documents may not be uploaded.

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