

5.32m tax returns submitted in 2014 tax season

A total of 5.32 million income tax returns were submitted in the 2014 tax season, the South African Revenue Service (SARS) said yesterday...



(Image: Rod Baker)

"The South African Revenue Service (SARS) has again recorded consistent growth in the levels of tax compliance in the country with 5.32 million income tax returns submitted during the 2014 tax season," said the revenue service.

This means that 4.05 million taxpayers (94.49%) who were required to submit a tax return this year did so on time. This is 10.14% higher than the 3.69 million figure of 2013.

"Although the total number of returns submitted for 2014 (5.32 million, including outstanding returns from previous years) is marginally lower than the total for 2013 (6.09 million) the decrease is due to the introduction of higher submission threshold since the 2013 tax year," said SARS.

The new threshold means that taxpayers earning one source of income below 250 000 for the year from one employer with no refund claims on their tax returns, did not have to submit a tax return.

The new submission threshold removes the administrative burden on such taxpayers to have to submit a return to SARS, although they still contribute to the Personal Income Tax (PIT) system through, for example, their monthly PAYE (Pay-As-You-Earn) deductions by their employers.

According to SARS, 207,525 individuals submitted tax returns but were not required to do so, compared to 792,928 in 2013 because of the new submission threshold.

Of the total number of 5.32 million returns submitted by the 21 November 2014 deadline:

- 4.26 million returns from individuals were for the 2014 tax year;

- 1.02 million returns from individuals were outstanding from previous tax years;
- 48,586 returns were submitted by trusts;
- The SARS Call Centre assisted more than 3.3 million taxpayers on the phone and
- More than 4.5 million taxpayers visited a SARS branch office for assistance.

Administrative penalties

As part of the total submissions, SARS received 1.02 million outstanding returns from previous years, which is 34% (535,580) lower than the 1.55 million outstanding returns from previous years that were submitted by the 2013 deadline.

"This is a very encouraging indicator that the administrative penalties SARS imposes for outstanding returns are having the desired effect of improving compliance levels."

Of the 1.02 million outstanding returns received from previous years, defaulting taxpayers paid a SARS total of R436m in outstanding penalties. SARS will continue to impose penalties against defaulting taxpayers.

Finance Minister Nhlanhla Nene welcomed the response to the 2014 tax season.

He thanked the public for paying its taxes and submitting their tax returns on time.

"Their continued commitment to the building of a more prosperous South Africa has been one of the cornerstones of our democracy over the past 20 years. The tax system is a key part of the foundation of a country's public finances. So, the continued tax compliance by fellow South Africans can only bode well for our democracy and fiscal sovereignty," Minister Nene said.

Tax refunds

When coming to refunds R15.2bn were paid to 2.1 million taxpayers with SARS paying 98% of all refunds within 72 hours.

Tax refunds are a direct contribution to the domestic economy and household incomes.

"Payments from taxpayers with assessed tax payments this year amounted to R4.4bn which is R0.3bn (5%) lower than the R4.7bn paid in 2013," said SARS.

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