

SARS to tighten tax collection laws

The South African Revenue Service has vowed to enhance its tax collection laws in a renewed bid to target wealthy individuals who are said to be costing the country millions of rands every year through tax evasion.



(Image: GCIS)

"We are going to be deploying resources towards getting these wealthy individuals who are abusing the trust. We will be getting to them, it's just a matter of time," Finance Minister Pravin Gordhan told reporters on Sunday.

He was addressing the media on SARS performance on revenue collection for the financial year that ended on March 31.

From this year, SARS will introduce a new compliance programme targeted at non-compliant individuals and companies and further grow the level of compliance with tax and customs legislation.

The new strategy will focus on the construction industry, transfer pricing by large business, wealthy South Africans and those winning government tenders.

Wealthy can expect more compliance checks

Gordhan said research by SARS has shown that the construction industry had significantly low levels of compliance than other sectors in the economy. The industry, he said, received a significant portion of public infrastructure spending which made compliance even more critical.

Wealthy South Africans can also expect more compliance checks and integrated audits. "Our research shows that a potential significant number of wealthy individuals are not registered taxpayers."

On government tenders Gordhan said: "We need to take a much harder line from the recipients of government tenders.....they must be brought to book. We cannot have a situation where public funds are abused in the face of under delivery and low tax compliance.

SARS would be instructed to hold every individual to account while scrutinising every tender.

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