

How SMEs can become tax compliant in 2022

For SMEs, becoming tax compliant can be an unclear path to navigate. Non-compliance can lead to steep penalties issued by the South African Revenue Service (SARS), which lead to detrimental financial problems down the road.



Source: www.pexels.com

To address this, SMEs should adopt three strategies to help them get their tax affairs in order and avoid persecution by SARS. Tax compliance is vital for sound financial management and enables a business to have a clear view of its financial health.

“This is a crucial and non-negotiable issue for any SME, and business owners must be disciplined in becoming and remaining tax compliant. Enlisting the help of a third party, using digital platforms, and developing an understanding of business tax structures will enable SME business owners to seamlessly navigate their tax compliance woes.”, says Tom Stuart, chief marketing officer at Lulalend.

Enlist the help of an independent tax expert

Appointing an independent and qualified tax consultant could save business owners time, money, and frustration. Tax consultants are best positioned to approach the complexities of business tax compliance and provide useful advice for how to best leverage tax. SMEs can be eligible for valuable tax benefits and returns based on their business operations and

employee benefits.

“A tax expert can help you avoid typical tax pitfalls such as incorrect submissions that typically end up in penalty fees. It is also useful to understand what tax benefits your business might be eligible for, and a tax consultant can help guide this approach.”, adds Stuart.

Use digital platforms for efficiency

Digital platforms can help an SME's ability to automate tax submissions processes with SARS. Cloud accounting platforms help accountants accurately and efficiently submit business tax documentation. It also helps business owners avoid long delays typically experienced when submitting manually.

Leveraging digital platforms will make a difference in how efficiently businesses are in remaining tax compliant. By working with the appropriate platforms and proficient consultants, SMEs can ensure that their financial health remains on track and that tax allocations are up to date throughout the year.

Grow your tax knowledge

Through a heightened understanding of their business tax, SME owners can understand the impact of daily transactions on tax compliance and benefits. This can help business owners understand how cash flow management can accommodate payable taxes throughout the financial year, without cost implications. An overall grasp of tax compliance processes and procedures will aid planning for the tax season, ensuring that business owners remain compliant and on track to file.

“Tax compliance does not need to be as arduous as it may seem. By adopting these strategies, SMEs can have a seamless tax experience and leverage the many tax benefits available to them,” concludes Stuart.

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