

Almost five million returns filed in 2011

The South African Revenue Service (SARS) has collected 4.86 million income tax returns in the 2011 tax season.



(Image: GCS)

"Some five million taxpayers submitted their returns on time. This is a fantastic achievement for a young democracy. This begins to explain the extent of compliance that we have," finance minister Pravin Gordhan said on Wednesday at the release of the preliminary outcomes of the tax season.

Returns since the start of the tax season on 1 July ending on 25 November are 23% higher than the previous year.

"In this institution we have a constant endeavour to improve service to facilitate taxpayer compliance and at the same time ensure that those who are noncompliant are subject to the laws of the land," said the minister.

According to SARS, most returns were filed using the electronic eFiling system with the turnaround time in assessing returns being assessed within 24 hours. Refunds of R12.67bn were issued.

Gordhan said the compliance and returning of returns on time is good for the country's economy.

Good for the economy

"It's good for the economy because of the ability of taxpayers to spend these amounts. This kind of tax compliance, given our current economic environment both globally and in South Africa, is important because the credibility and viability of the fiscal system depends, in the South African case and in many other cases, on the extent to which a government concludes tax administration and custom administration to be able to effectively collect all the amounts of money that are due to the state," he explained.

The refusal by some elite individuals to comply with tax can have disastrous results when fiscal difficulty occurs.

In 2011, a total 3.688 million returns from individuals were received, an increase of 15.5% compared to 2010, when 3.193 million returns were collected. Additionally 1.09 million outstanding tax returns from previous tax years were received.

The minister thanked South Africans for their compliance, adding that increased enforcement of compliance led to 5.2 million penalty notices being issued by the Revenue Service. This is up from 1.7 million in 2010. Taxpayers face administrative penalty fees of at least R250 for each month that their return is not submitted.

Collecting money in government was one thing but spending it correctly was another matter.

"I want to give the assurance that government will up their game and ensure that tax money is spent efficiently on delivering services to citizens and getting value for money," said Gordhan.

SARS commissioner Oupa Magashula said the total increase in returns is a major improvement for the revenue service.

Had the majority of taxpayers not moved to filing their returns electronically a total R150m would have been spent five years ago on mailing manual returns. The money has been saved in modernisation processes, said Gordhan.

Over the tax season a total of 4.2 million calls to SARS have been recorded.

For more, visit: <https://www.bizcommunity.com>