

Are you ready for the 2023 tax-filing season?

The South African Revenue Service (SARS) continues to strive to provide taxpayers with a streamlined, comprehensive and secure service offering that removes the complexity involved in meeting their tax obligations. For taxpayers with relatively simple tax affairs, this is achieved through the auto-assessment process by which SARS relies on the information provided by third-party data providers to assist SARS in supplying taxpayers with an accurate return. It is important for taxpayers to understand their filing obligations so that they can ensure compliance. Meagan Fraser covers the key dates to be aware of for the 2023 tax-filing season and provides the answers to some frequently asked questions.

Key dates to diarise

The following tax-filing season dates apply:

- **7 July to 23 October 2023** – for non-provisional taxpayers filing online via eFiling or the SARS MobiApp and taxpayers requiring assistance to file at a SARS branch (by appointment only).
- **7 July to 24 January 2024** – for provisional taxpayers and trusts filing online.

It is important to note that filing a return after the due date may result in SARS imposing administrative non-compliance penalties.

What should you prepare prior to tax-filing season?

Ensure that you have received all your relevant tax certificates for the 2023 tax year prior to filing your tax return. This includes requesting your IRP5/IT3(a) from your employer, if you have not yet received one, and gathering the tax certificates you have received from your bank, medical aid scheme, retirement annuity fund, investment manager and any other relevant service providers. This is important irrespective of whether you have been selected for SARS auto-assessment.

When can taxpayers expect an auto-assessment?

SARS has identified a subset of individual taxpayers for whom it is satisfied that it is able to accurately calculate the tax owing based on the data submitted by third-party data providers. SARS receives data from third parties, such as employers, medical aid schemes, investment managers, banks and retirement funds, and uses this data to pre-populate the eFiling data fields for all taxpayers. SARS started notifying taxpayers from 1 July 2023 via their preferred method of communication (email or SMS) that an auto-assessment has been issued to them. Once notified, they can then log in to eFiling or the SARS MobiApp to review the assessment and ensure that it is correct.

How is the auto-assessment process different this year?

Last year, taxpayers had 40 days to file a return if they were not happy with the auto-assessment issued by SARS. This year, SARS is aligning the due date with the end of tax-filing season, meaning auto-assessed taxpayers have until 23 October 2023 to ensure that their auto-assessment is correct and to file a return should they disagree with SARS's calculation. If SARS issues an auto-assessment after this date, the taxpayer will have 40 business days from the date of notification to file a return.

What do you need to do if you are auto-assessed?

Log in to eFiling or the SARS MobiApp to view the assessment. You will be able to see and review all the data that SARS has used to perform the assessment. It is important to check that this information is complete and correct, and to compare it to the tax certificates you have received from your employer and service providers. To view your data in detail, follow the step-by-step process listed on the [SARS website](#).

If you agree with the auto-assessment and no amendments need to be made, you do not need to do anything, as SARS will finalise your return once the due date is reached. The next step is to check whether you are due a refund or owe money to SARS. If you owe SARS, ensure that you make payment before the due date indicated on your Notice of Assessment (ITA34) to avoid interest or penalties being charged.

What should you do if you disagree with your auto-assessment?

If you do not agree with the auto-assessment, you can access your return on eFiling or the SARS MobiApp, correct it and submit it by 23 October 2023.

Third-party data that has been prepopulated in your return cannot be edited, but you can add any information that has not been populated. If any of the prepopulated data is incorrect or incomplete, you will need to ask the third party that provided the data to correct it by resubmitting the amended data to SARS. Once you have received confirmation that the corrected data has been submitted, you can refresh your tax return and submit it. Corrected data is often only visible after refreshing your return multiple times.

If you have additional income to report or deductions to claim, it is important to ensure that this is declared correctly. Examples include capital gains from the sale of assets, rental income and excess medical expenses which were not covered by your medical aid. Failure to declare all income received can result in understatement penalties being imposed by SARS.

Do all South Africans need to file a tax return?

Who is exempt?

It is not a requirement for all South Africans who have earned income in the 2023 tax year and paid tax thereon to file a tax return. Individuals are only liable to pay tax if their taxable income (income after all qualifying exemptions and deductions have been applied) exceeds a specific amount (known as the "tax threshold" amount) for the tax year.

For the 2023 year of assessment, the tax threshold amounts are as follows:

- R91 250 for individuals younger than 65
- R141 250 for individuals 65 or older, but younger than 75
- R157 900 for individuals 75 or older

SARS further confirms that, as an individual South African tax resident, you will not be required to submit an income tax return for the 2023 year of assessment if:

- You have been notified by SARS that you have been auto-assessed and your gross income, exemptions, deductions and rebates are reflecting correctly.
- You have not been selected for auto-assessment and your gross income exceeds the tax thresholds, but consisted of one or more of the following:
 1. South African sourced interest (not from a tax-free investment) less than:
 - R23 800 for individuals below age 65
 - R34 500 for individuals aged 65 and older
 2. Amounts received or accrued from a tax-free investment.
 3. A single lump sum received from a pension, provident, pension preservation, provident preservation or retirement annuity fund; and tax has been withheld in terms of a directive issued by SARS.
 4. Remuneration received from a single source, which does not exceed R500 000, and employees' tax has been deducted at source.

Who must file?

Only taxpayers who have been auto-assessed will receive an SMS or email notification from SARS regarding their tax return submissions. If you have not received notification from SARS regarding your 2023 return, this does not mean that you are not required to submit a return. If you are a South African resident and you earned income above the tax threshold for the year, you will need to file a return if you had more than one employer or source of income (for example, you earned rental income during the year, changed employer during the year or had additional income from a second employer). The same applies if you received a taxable allowance or advance from your employer (such as the right to use a motor vehicle supplied by your employer or a travel, subsistence, computer or cellular allowance).

As a South African tax resident individual, there are certain instances where you may be required to file a tax return regardless of whether your taxable income exceeds the tax threshold amount. You will be required to file a tax return for the 2023 tax year if any of the following applies:

- You carried on a business (not as an employee) in or outside South Africa.
- You sold assets and the capital gain or loss was more than R40 000 for the tax year.
- You owned foreign currency or foreign assets and the total value was more than R250 000 at any time during the tax year.
- You earned a foreign salary for work done as an employee outside South Africa.
- You earned income or capital gains from foreign currency or assets outside South Africa that were attributed to you (for example, as a result of making a donation, settlement or other disposition).
- SARS sent you a tax return and requested that you complete it, or you were auto-assessed.

If you are unsure whether you are required to submit an income tax return, you can complete the questionnaire on the [SARS website](#) that will assist you in determining your filing obligation.

Do non-South African tax residents need to file a tax return?

If you are a non-South African tax resident, SARS does not require you to file a tax return if you only received dividend income from a South African source and you were a non-resident for the full duration of the 2023 year of assessment. However, you will be required to file a return if any of the below applies:

- You received interest from a South African source, and
 - You were physically present in South Africa for longer than 183 days in total during the 12 months before the interest was received or accrued; or
 - The debt from which the interest was earned is connected to your permanent establishment in South Africa.
- You carried on a business (not as an employee) in South Africa.
- You sold assets and made capital gains or losses from the disposal of:
 - South African fixed property or a right in fixed property; or
 - Shares in a company or a vested interest in a trust if at least 80% of the value of the interest is in South African fixed property and you hold at least 20% of the shares or rights of the company or trust; or
 - Capital assets effectively connected with a South African permanent establishment.

Contact SARS for more information

For more information regarding your tax return, please contact SARS directly on 0800 007 277 or visit the [SARS website](#).

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