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**South Africa:
Annual tax return filing deadline brought forward for nonprovisional taxpayers**

The South African Revenue Service (SARS) has confirmed that the tax return filing deadline for the 2017/18 tax year will be brought forward by three weeks to 31 October 2018. This applies to nonprovisional taxpayers who file their income tax returns via SARS eFiling.

The annual tax return filing deadline for provisional taxpayers continues to be 31 January 2019.

Who is a nonprovisional taxpayer?

A nonprovisional taxpayer is typically an individual who earns income/remuneration that has been subjected to monthly tax withholding (PAYE) in South Africa.

Filing deadlines – 2017/18 South African returns

Nonprovisional taxpayers:

- 21 September 2018 for paper filing (e.g., posted to the SARS office or dropped off at an SARS branch), and
- 31 October 2018 for electronic filing.

Provisional taxpayers:

- 31 January 2019 for electronic filing of the final annual return.

Penalties for late filing of tax returns

The SARS does not allow any statutory extensions for annual tax return filing. A summary of the potential penalties for late filing is below.

The amount of the penalty is based on an individual's taxable income for the preceding tax year.

Assessed loss or taxable income for preceding year	Penalty (per-month return remains outstanding)
Assessed loss	R 250
R 0 – R 250 000	R 250
R 250 001 – R 500 000	R 500
R 500 001 – R 1 000 000	R 1 000
R 1 000 001 – R 5 000 000	R 2 000
R 5 000 001 – R 10 000 000	R 4 000
R 10 000 001 – R 50 000 000	R 8 000
Above R 50 000 000	R 16 000

Deloitte's view

As this change decreases the period in which a taxpayer has to file a tax return, companies should communicate this change in filing deadlines to their employees.

Following the filing of annual income tax returns, an assessment is issued by the SARS reflecting the final tax position and due date of payment (if any).

For cases in which the taxpayer does not agree with the final position as determined by the SARS, he or she may object to the incorrect assessment within 30 working days of the assessment.

For cases in which a refund is due, the SARS may request additional information or conduct additional reviews before releasing the refund.

Under the provisions of the South African Income Tax Act, for the purposes of objections and appeals, the period between 16 December and 15 January is one working day. This aligns with the festive season and summer holidays, when the SARS typically operates with minimal staff.

The new deadline should therefore allow the SARS additional time to complete the following:

- Progress objections submitted by 31 October;
- Progress simple audits such as the verification of tax returns, which is done by reviewing additional documents the taxpayer uploaded; and
- Finalize and release refunds due to taxpayers.

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