



*South African Revenue Service*

Dear Stakeholder

## **PERSONAL INCOME TAX (PIT) – NEW PENALTY RULE AND AUTO-ASSESSMENT PROCESS**

### **THE NEW PENALTY RULE FOR NON-COMPLIANT TAXPAYERS**

In line with the South African Revenue Service's (SARS) strategic objective of making non-compliance hard and costly, it is imperative that SARS enhances its ability to impose administrative penalties in a more responsive manner. With effect from 1 December 2021, SARS has been empowered to levy a late submission of return penalty where one or more personal income tax returns are outstanding. As a transitional measure for the first year, the one tax return or more rule will only apply to the 2021 tax return. Prior to 1 December 2021, SARS could only levy a late submission of return penalty where two or more outstanding tax returns. This older rule will remain in place for one more year for 2020 and earlier returns.

For more information in this regard please refer to Government Notice 1461 in Government Gazette No 45396 dated 29 October 2021, which is available on the SARS website at [sars.gov.za](http://sars.gov.za).

### **AUTO-ASSESSMENTS**

As you are aware, during the month of July, SARS used the data received from employers and other third-party data providers to issue simulated assessments to a significant number of non-provisional individual taxpayers. As part of the auto-assessment process, SARS requests taxpayers to either accept or edit the simulated assessment via eFiling or the SARS MobiApp, which is then followed by an original assessment issued by SARS. A large number of taxpayers have already either accepted or edited their simulated assessments and received an original assessment from SARS.

### **NO RESPONSE BY DEADLINE**

The deadline for individual non-provisional taxpayers is 23 November 2021. Taxpayers in the auto-assessment population, who neither accepted nor edited and submitted their simulated assessments by this date, will receive an original assessment based on an estimate in

accordance with section 95 of the Tax Administration Act, 2011. This assessment is not subject to objection and appeal. However, a taxpayer who is not in agreement with his or her assessment may file a complete and accurate tax return within 40 business days of the assessment date. Such a return will be late, which means that normal late submission penalties and interest (where applicable) will apply.

Let us continue to work together, ensuring all individual taxpayers fulfil their tax obligations accurately and on time.

**More information**

For more information on Filing Season 2021, please visit the SARS website [www.sars.gov.za](http://www.sars.gov.za).

Sincerely

**THE SOUTH AFRICAN REVENUE SERVICE**

**November 2021**

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