



Tax & Legal - News Alert

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2023 Tax filing season – Natural persons

The 2023 tax filing season opens on Friday, 7 July 2023 at 8pm.

On Wednesday, 14 June 2023, the South African Revenue Service (**SARS**) published a notice in the Government Gazette (No. 48788) listing the persons who must submit and persons who are not required to submit tax returns as well as the periods within which the tax returns are due, for the 2023 year of assessment (period 1 March 2022 to 28 February 2023).

When are the 2023 tax returns due for submission to SARS?

- On or before **Monday, 23 October 2023**; and
- For provisional taxpayers, on or before **Wednesday, 24 January 2023** if submitted electronically by using the SARS eFiling platform.

Who must submit a 2023 income tax return?

Subject to the exclusions listed for taxpayers who are not required to submit a return (see below), taxpayers with gross income exceeding the following thresholds must submit a return:

- R91 250 (if under the age of 65 at the end of the year of assessment)
- R141 250 (65 years or older but under 75 at the end of the year of assessment)
- R157 900 (75 years or older at the end of the year of assessment)

In addition to the above, the Government Gazette lists specific categories of income streams, funds held, or assets owned, that may trigger a requirement to submit a return e.g. trade income, capital gains and capital losses exceeding R40 000, funds held in foreign currency or foreign assets owned with a total value of R250 000 and related income or capital gains from these foreign currency funds or assets, participation rights in controlled foreign companies, taxable turnover and South African source interest of non-residents not qualifying for exemption. Taxpayers with these income streams/investments should consult the Government Gazette for more information.

Further, every person who is requested by the Commissioner in writing to furnish a return, irrespective of the amount of income or nature of receipts or accruals of the person, must submit a return.

When are natural persons not required to submit an income tax return?

Although natural persons may have to register for income tax, they will not be required to submit an income tax return if one or more of the below criteria are met:

1 The gross to income of that natural person consists solely of one or more of the following:

- Remuneration income received from one employer for the full tax year, which:
 - does not exceed R500 000;
 - does not include any taxable allowances and/or taxable benefits; and
 - the amount has been correctly subjected to employees' tax.
- South African sourced interest (other than interest from a tax-free investment) not exceeding:
 - R23 800 in the case of a person below the age of 65 years at the end of the year of assessment; or
 - R34 500 in the case of a person aged 65 years or older at the end of the year of assessment;
- Dividends where the recipient was a non-resident throughout the 2023 year of assessment;
- Amounts received or accrued from a tax-free investment; and
- A single lump sum received from a pension or provident fund, pension preservation fund, provident preservation fund or retirement annuity fund, and tax has been deducted or withheld in accordance with a directive issued by the Commissioner.

2 The above does not apply to a natural person who:

- intends to claim any additional allowable deductions, such as medical expenses, retirement annuity contributions and/or travel expenses; or
- was granted a taxable fringe benefit; or
- received/accrued any amount in respect of services rendered outside South Africa.

3 Accurate and complete automatic assessments:

When the Commissioner issues a natural person with an automatic assessment and the declarations reflected on the assessment are complete and correct as at the date of the assessment based on an estimate to give effect to automatic assessment.

Important changes to automatic assessments

SARS has indicated that it will issue automatic assessments for a large number of taxpayers, based on third party data collected, as was done in the prior tax filing season. Taxpayers selected for automatic assessment, will be notified between 1 July and 7 July 2023 via sms or email.

Should a taxpayer agree with the automatic assessment, no further action is required by the taxpayer. To the extent that a taxpayer is not in agreement with the automatic assessment issued, the taxpayer will have until Monday, 23 October 2023 to prepare and submit an amended tax return to SARS.

Should an automatic assessment be issued by SARS after 23 October 2023 and the taxpayer is not in agreement with the automatic assessment, the taxpayer will have 40 business days to prepare and submit an amended tax return to SARS, calculated from the date of the notice of assessment.

Channels for the submission of an income tax return and document retention

Natural persons can submit an income tax return either electronically by using the SARS eFiling platform, provided that the person is registered for eFiling, or through the assistance of a SARS official at a SARS office.

It should be noted that SARS may request supporting documents to verify the information declared in an income tax return. In terms of the Tax Administration Act No. 28 of 2011, taxpayers are required to keep all supporting documents to their tax returns for a period of five years.

Considerations

During the period leading up to the official start of the filing season, the pre-populated data reflected on a taxpayer's income tax return may not be accurate and complete as SARS may still be in the process of populating data received from all sources. Furthermore, in some cases, SARS may have limited access to certain third-party information that may impact the disclosure in a taxpayer's tax return. Therefore, it is recommended for taxpayers to not accept the automatic assessment without a thorough review thereof or consultation with their tax practitioner.

Click here to [view](#) the Notice.

For more information and assistance, please contact:



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