

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER PQ 2787

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Adv A de W Alberts (FF Plus) to ask the Minister of Finance:

What (a) percentage of Members of Parliament from the opposition ranks are currently being audited for tax purposes and (b) are the criteria for such audits?NW3291E

REPLY:

- (a) Due to the secrecy provisions contained in Section 69 of the Tax Administration Act No. 28 of 2011, SARS is prohibited from disclosing any taxpayer information (Including whether or not a taxpayer is subject to an audit) to any person other than a SARS official.

The South African Revenue Service (SARS) makes no differentiation according to taxpayers' political affiliation. SARS treats the tax affairs of all parliamentarians in exactly the same manner as all other taxpayers in accordance with the compliance model. This model is premised on three components to encourage tax compliance: Education, Service and Enforcement.

- (b) The selection of taxpayers for audits is generated through an automated risk engine which is designed based on principles such as:
- The comparison of declared information to third party information e.g. Banks, Employers, Insurance Companies, etc.;
 - The verification of claims;
 - Year on year comparisons on income, deductions and movements in the aforementioned to identify exceptions;
 - The verification of incomplete and inconsistent submissions of tax returns.

The majority of the audits referred to in (a) above relates to the verification of incomplete and inconsistent submissions of returns and hence merely involve requests for corroborative information.