

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 174 [NW185E]

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174. Ms D van der Walt (DA) to ask the Minister of Finance:

(a) What is the total number of tax refunds for (i) taxpayers and (ii) vendors that were lodged prior to the end of the (aa) 2014-15 and (bb) 2015-16 financial years that have not been refunded by (aaa) 31 March 2015 and (bbb) 31 March 2016 respectively and (b) what were the total amounts due in each case?

NW185E

REPLY:

The following information was submitted by the South African Revenue Service (SARS):

The process of return submission covers the aspect of submitting a return and as such declaring the liability of the taxpayer for a specific period/ year. The submission and declaration does not however automatically entitle the taxpayer to a refund. The return is therefore lodged and not the refund. The assessment result might be an amount due to SARS and not to the taxpayer.

It is important to note that submissions by taxpayers, where the amount reflects as being due to the taxpayer, do not result in automatic refunds but rather may be credit assessments which may undergo risk evaluation by SARS, prior to being determined to result in a refund.

In general the refund process is subject to certain compliance interventions and follows a standardised process in line with legislation.

These steps include but are not limited to:

- A declaration by a taxpayer is subjected to an automated risk mitigation system
- A declaration is reviewed where risks are identified or refunds are released where no risk is identified.
- Where risk is identified, a generic request for information from clients in support of their declaration is sent to the taxpayer. These requests are made in writing to the taxpayer's E-filing account or registered address.
- Evaluation by SARS of the data in support of the declaration is conducted, and requests for further specific supporting documentation is sent to the taxpayer where deemed necessary by the auditor. This second request is made telephonically and followed up by a written request sent to the E-filing account or other registered details
- If required an adjustment is made to the assessment

As indicated above, all reviews are conducted based on the risk identified by the system and all procedures and legislation is adhered to at all times in dealing with identified cases. The TAA, chapter 5, Sec 40, differentiates between an Audit and Verification. Once again, the compliance interventions determine whether a case will be Verified or Audited. Sec 42 of the TAA requires that a taxpayer be kept informed of progress with an Audit. The same obligations do not exist in the case of Verification.

(a)(i)(ii)(aa)(bb)(aaa)(bbb)(b)

Based on data that is readily available the following statistics can be provided.

It should be noted that the statistics includes all refunds as a result of current or prior tax year's returns received. These may also include multiple returns where multiple years were outstanding.

Personal Income Tax (PIT): Refunds processed during these two performance periods that includes refunds paid out for both current and previous tax years

FY 2015/2016	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Within 1 day	2 078 529	93.55%	17 636 156 292	89.51%
Within 2 day	2 080 018	93.62%	17 648 106 895	89.57%
Within 3 day	2 081 400	93.68%	17 660 046 629	89.64%
Within 4 day	2 082 565	93.73%	17 671 685 820	89.69%
Within 5 day	2 083 563	93.78%	17 682 211 625	89.75%
Within 10 day	2 093 691	94.23%	17 791 309 571	90.30%
Within 21 day	2 098 039	94.43%	17 834 333 227	90.52%
Within 30 day	2 105 910	94.78%	17 917 459 188	90.94%
Within 60 day	2 131 416	95.93%	18 226 010 663	92.51%
Within 90 day	2 158 953	97.17%	18 588 300 391	94.35%
More than 90 days	2 221 795	100.00%	19 702 139 151	100.00%
Grand Total	2 221 795	100%	19 702 139 151	100%

FY 2014/2015	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Within 1 day	2 228 408	92.62%	17 475 039 484	89.19%
Within 2 day	2 231 094	92.73%	17 497 695 274	89.30%
Within 3 day	2 233 430	92.83%	17 517 603 195	89.40%
Within 4 day	2 235 407	92.91%	17 534 051 997	89.49%
Within 5 day	2 237 478	93.00%	17 551 802 975	89.58%
Within 10 day	2 245 757	93.34%	17 629 562 736	89.97%
Within 21 day	2 259 968	93.93%	17 771 765 155	90.70%
Within 30 day	2 269 100	94.31%	17 865 671 786	91.18%
Within 60 day	2 317 618	96.33%	18 342 690 800	93.61%
Within 90 day	2 348 282	97.61%	18 661 029 254	95.24%
More than 90 days	2 405 902	100.00%	19 594 118 415	100.00%
Grand Total	2 405 902	100%	19 594 118 415	100%

Corporate Income Tax (CIT): Refunds processed during these two performance periods that includes refunds paid out for both current and previous tax years

FY 2015/2016	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Within 1 day	29 011	73.14%	1 926 857 827	56.18%
Within 2 day	29 084	73.32%	1 941 310 905	56.60%
Within 3 day	29 134	73.45%	1 944 784 101	56.70%
Within 4 day	29 189	73.59%	1 948 683 819	56.82%
Within 5 day	29 239	73.71%	1 952 820 096	56.94%
Within 10 day	29 437	74.21%	1 975 891 033	57.61%
Within 21 day	29 880	75.33%	2 120 522 535	61.83%
Within 30 day	30 190	76.11%	2 168 459 999	63.23%
Within 60 day	31 362	79.07%	2 368 672 630	69.06%
Within 90 day	32 708	82.46%	2 526 549 638	73.67%
More than 90 days	39 666	100.00%	3 429 659 974	100.00%
Grand Total	39 666	100%	3 429 659 974	100%

FY 2014/2015	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Within 1 day	31 258	74.11%	1 740 028 825	51.67%
Within 2 day	31 327	74.28%	1 744 623 695	51.81%
Within 3 day	31 382	74.41%	1 753 376 243	52.07%
Within 4 day	31 432	74.53%	1 758 537 723	52.22%
Within 5 day	31 482	74.65%	1 762 717 215	52.35%
Within 10 day	31 684	75.13%	1 780 635 814	52.88%
Within 21 day	32 041	75.97%	1 843 791 302	54.75%
Within 30 day	32 370	76.75%	1 894 872 625	56.27%
Within 60 day	33 393	79.18%	2 054 283 521	61.01%
Within 90 day	34 614	82.07%	2 225 138 970	66.08%
More than 90 days	42 175	100.00%	3 367 388 343	100.00%
Grand Total	42 175	100%	3 367 388 343	100%

Value Added Tax (VAT): Refunds processed during these two performance periods that includes refunds paid out for both current and previous tax years

FY 2015/2016	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Paid within 2 days	240 268	67.71%	20 543 123 568	16.14%
Paid within 21 days	282 753	79.69%	77 882 420 639	61.19%
Paid within 30 days	304 595	85.84%	95 477 947 992	75.02%
Paid within 60 days	337 605	95.15%	116 017 076 739	91.15%
Paid in more than 60 days	354 828	100.00%	127 276 361 477	100.00%
Grand Total	354 828	100%	127 276 361 477	100%

FY 2014/2015	Cumulative Number of Refunds	Cumulative % of Volume	Cumulative Refund Value (R)	Cumulative % of Value
Paid within 2 days	249 313	67.51%	24 522 511 615	19.61%
Paid within 21 days	322 604	87.35%	96 674 033 289	77.31%
Paid within 30 days	338 011	91.52%	107 434 615 456	85.91%
Paid within 60 days	357 374	96.77%	118 940 253 003	95.11%
Paid in more than 60 days	369 315	100.00%	125 052 605 017	100.00%
Grand Total	369 315	100%	125 052 605 017	100%