

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 3338 [NW3813E]  
DATE OF PUBLICATION: 9 NOVEMBER 2018**

**3338. Mr W W Wessels (FF Plus) to ask the Minister of Finance:**

- (1) What is the (a) percentage of tax returns of (i) private individuals and (ii) businesses that are selected for auditing annually and (b) average turnaround time of such audits;
- (2) what is the (a) turnaround time for paying amounts that are due to (i) private individuals and (ii) businesses and (b) total amount that is still due as at the latest date for which information is available;
- (3) whether he will make a statement on the matter?

NW3813E

## REPLY

(1)

The percentage of tax returns that are selected for audit and the associated turnaround time of these audits are shown in the following tables: Commissioner please note that this point relates specific to cases that are routed for audit. You will see

For the current financial year (2018/19) to date 31 October 2018:

Tax Type	Taxpayer	Returns Received	Returns Selected for Audit	(a) %Audits	(b) avg. TAT for Audit(W Days)
Income Tax	<b>i)</b> Companies	650,051	42,416	6.5%	45d
	<b>ii)</b> Individuals	5,678,840	1,476,677	26.0%	28d
	Trusts	95,408	19,715	20.7%	30d
VAT	<b>(i &amp; ii)</b>	2,151,221	270,670	12.6%	42d

For the previous financial year (2017/18) to date 31 March 2018:

Tax Type	Taxpayer	Returns Received	Returns Selected for Audit	(a) %Audits	(b) avg. TAT for Audit(W Days)
Income Tax	<b>i)</b> Companies	1,003,930	49,808	5.0%	69d
	<b>ii)</b> Individuals	6,474,838	1,594,302	24.6%	44d
	Trusts	168,081	43,206	25.7%	52d
VAT	<b>(i &amp; ii)</b>	3,435,900	257,949	7.5%	44d

(2)

(a) The turnaround times for refunds to taxpayers are shown in the following tables: This table includes non-audited cases hence the TAT is lower. It does however show audit as the bottleneck. You can give a view on planned work, reducing audit alerts, where possible delinking audit from refund process.

For the current financial year (2018/19) to date 31 October 2018:

Tax Type	Taxpayer	Number of Refunds Paid	Value of Refunds Paid	avg. TAT for Refund (W Days)
Income Tax	<b>i)</b> Companies	31,431	-11,656,141,104	14d
	<b>ii)</b> Individuals	2,111,140	-19,891,039,717	10d
VAT	<b>(i &amp; ii)</b>	282,751	-122,105,382,787	29d

For the previous financial year (2017/18) to date 31 March 2018:

TaxType	TaxPayer	Number of Refunds Paid	Value of Refunds Paid	avg. TAT for Refund (W Days)
Income Tax	<b>i)</b> Companies	55,993	-13,587,950,231	16d
	<b>ii)</b> Individuals	2,693,371	-26,801,336,863	13d
VAT	<b>(i &amp; ii)</b>	401,475	-191,070,644,045	23d

(b)

The SARS Credit Book for the applicable tax types as on 11 November 2018: It is important to note that the spike in 2018/19 PIT credit book is mainly as a result of the fact that filing season has just concluded and we are not comparing the same period. The increase in VAT credit book is as a result of the absolute 1% (7% relative terms) increase. With the increased VAT refund allocation of R20bn this will assist in reducing the VAT credit book.

Tax Type	Taxpayer	Credit Book at 11Nov'18
Income Tax	<b>i)</b> Companies	-16,267,274,457
	<b>ii)</b> Individuals	-11,796,073,880
VAT	<b>(i &amp; ii)</b>	-36,092,087,307

The SARS Credit Book for the applicable tax types as at the end of the previous Financial year on 31 March 2018: This view is as at the 31 March 2018 and specifically on PIT there are no further influx of returns for this year (previous table) hence between now and then the book will reduce.

Tax Type	Taxpayer	Credit Book at 31Mar'18
Income Tax	<b>i)</b> Companies	-21,162,573,909
	<b>ii)</b> Individuals	-7,605,166,381
VAT	<b>(i &amp; ii)</b>	-30,385,217,532