

Tax Ombud secures taxpayer's refund and interest of more than R135k

The Office of the Tax Ombud (OTO) does not only help speed up the resolution of taxpayer complaints and gets the South African Revenue Services (Sars) to pay monies due - according to OTO, there are also instances where it secures them thousands of rands worth in interest.



Image source: Nataliya Vaitkevich from [Pexels](#)

The Ombud has cited the latest case involving a complaint about Sars' "repeated" inability to finalise a taxpayer's verification of the 03/2023 value-added tax (VAT) declaration.

"The OTO investigated the complaint and discovered that the taxpayer had filed the VAT return on 14 April 2023, reflecting a refund of R5,398,613.44.

"The return was selected for verification and the taxpayer uploaded the supporting documentation requested, all on the same day. Sars, however, did not request additional information or finalise the verification within the turnaround time of 21 business days," the OTO explained.

As a result, the taxpayer complained to the Sars Complaints Management Office in May last year.

However, according to the statement, Sars proceeded to request additional information in June 2023.

“After the taxpayer submitted the documentation on 20 June 2023, Sars again did not finalise the verification within 21 business days. The taxpayer complained with the OTO on 7 August 2023, and the complaint was accepted on 11 August 2023.”

The office recommended that Sars finalise the verification of the 03/2023 VAT declaration and pay out the refund with interest if applicable or provide valid reasons for not doing so.



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3 Jul 2023



Meanwhile, the verification of the 03/2023 VAT declaration was finalised in August 2023.

Although Sars issued an additional assessment, the OTO stated that a refund of R4,255,398.20 was paid in September last year and the taxman paid the taxpayer interest of R135,152.62 the following month.

The Ombud explained that if a VAT refund is not paid out within 21 business days, Sars is obliged to pay interest at a prescribed rate on the amount refundable.

“There are, however, certain circumstances that will delay the accrual of interest. Where for instance a taxpayer submitted a defective or incomplete return, where Sars requested information from the taxpayers about the return in question, or where a taxpayer did not provide Sars with confirmed banking details,” the statement read.

The OTO said the 21 business days will only start counting on the date on which the taxpayer provides Sars with the correct return, information or banking details.

“It is therefore extremely important for taxpayers to ensure that they act promptly to comply with Sars’s requests.”

The OTO’s services are free, and the organisation continues to make a massive difference in taxpayers’ lives with tax complaints against Sars.

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