

Tax Ombud's Office launched

PRETORIA: Taxpayers' legitimate complaints, which are unable to be resolved through the South African Revenue Service (SARS) internal mechanisms, will now be reviewed and addressed by the newly launched South African Tax Ombud's Office.



© bahrialtay – Fotolia.com

Officially launching the office on Monday, 7 April 2014, Finance Minister Pravin Gordhan said the Tax Ombud is an additional and free avenue to deal with complaints by taxpayers that cannot be resolved through SARS's internal mechanism.

He said the Ombud's Office added to the sound institutional framework that has sustained South Africa's social and economic progress during the past 20 years.

Last week, the 2013/14 preliminary tax and customs revenue was announced. The minister said the tax policy framework has proven to be resilient during the global economic turmoil that has tested South Africa's public finances, its economic policy framework and its regulatory environment.

"We owe a debt of gratitude to the millions of taxpayers who have provided the state with the means to fund its programmes, which in a virtuous cycle will stimulate growth, job creation and generate higher future revenue.

"We owe them our deep gratitude and a commitment to spend this money wisely, honestly and efficiently, but also we owe to these taxpayers a tax system that treats them fairly," Minister Gordhan said.

Gordhan said the Ombud is intended to be a simple remedy for taxpayers who have legitimate complaints that relate to administrative matters, poor service or the failure by SARS to observe taxpayers' rights.

However, the Ombud's Office may not review legislation or tax policy.

It will also not review SARS policy or practice generally prevailing, other than to the extent that it relates to a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS.

The Ombud's Office will also not review a matter subject to objection and appeal under a tax Act, except for an administrative matter relating to such objection and appeal or a decision of, proceeding in or matter before the tax court.

As announced in October last year, retired Judge Bernard Ngoepe is the Tax Ombud. Ngoepe's office must review a complaint and if necessary, resolve it through mediation or conciliation with SARS officials specifically identified to interact with his office.

However, Ngoepe may only review a complaint after a taxpayer has exhausted SARS internal complaints resolution mechanisms. Direct access to the Ombud will only be allowed if there are compelling circumstances for doing so.

"Our challenge is not just about affording the taxpayer a fair hearing or the provision of service; it is more about providing information that is easily accessible and understandable.

"The office treats the taxpayer public with utmost dignity and respect, provides an open, accountable and timely service and it will also render well-reasoned decisions in respect of actions taken by it," said Judge Ngoepe.

According to Judge Ngoepe, the office will be operating independently of SARS and will also treat with strict confidence the communication between it and the taxpayer.

"Given all these as well as other considerations, the office of the Tax Ombud expects to contribute towards boosting the taxpayers' confidence in tax administration, resulting, hopefully in even better tax compliance," he said.

Acting SARS Commissioner Iva Pillay said: "The Ombud will keep us on our toes. That's good for tax compliance and that's good for SARS and South Africa.

"The credibility of SARS and the success of the Ombud's Office will depend on how SARS handles complaints. This is not only a matter of how we handle an individual complaint," Pillay said.

The Tax Ombud reports directly to the Minister of Finance and its annual report must be tabled in Parliament by the Minister.

For more, visit: <https://www.bizcommunity.com>