COVID 19 TAX MEASURES PAYE

For businesses which are negatively affected, directly or indirectly, due to Covid19 pandemic.
This flowchart is in line with the (draft) National Treasury Explanatory Notes.
For the purpose of this incentive small or medium is any business with an annual turnover of less than R50 million and not the normal SMME turnover thresholds.
This financial incentive is line with the Income Tax Act 1962 (ITA) and the Tax Administration Act 2011 (TAA).

The employers claim is for the period 1 Apr - 31 Jul.

NO → Will not qualify for benefit.

YES

*The employers is a small to medium sized business.

NO → Will not qualify for benefit.

YES

The employer has failed to submit any return ito Sec 1 (TAA).

YES → Will not qualify for benefit.

NO

Has any outstanding tax debt as defined in Sec 1 (TAA).

YES → An agreement has been entered into ito S167/204 (TAA) OR
Has been suspended ito S164 (TAA) OR
Does not exceed the amount ito S169(4) (TAA)

→ Interest and Penalties will apply if Employer has understated PAYE liability for the 4 months.

NO → Will not qualify for benefit.

NO

YES

Please confirm qualification and procedure with www.sars.gov.za.

Benefits

- Deferral of payment of 20% of PAYE liability without Penalties and interest for the late payment.
- The deferred PAYE liability must be paid in 6 equal monthly installments on 1 August 2020 and the first payment must be made before 7 September 2020.

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