COVID 19 TAX MEASURES PROVISIONAL TAX FOR BUSINESSES

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 Sch 4 of the Income Tax Act 1962 (ITA) and the Tax Administration Act 2011 (TAA).

The claim is for the period 1 Apr 20- 31 March 21.

NO → Will not qualify for benefit.

YES

*The employers is a small to medium sized business.

NO → Will not qualify for benefit.

YES

Has failed to submit any return S1& 25 (TAA).

YES → Will not qualify for benefit.

NO

Has any outstanding debt as defined in S1 (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

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

YES

NO → Will not qualify for benefit.

Benefits

- Deferral of portion of payment for 1st and 2nd payment without penalties and interest.
- 1st payment for period 1 April to 30 Sept at 15% of total liability.
- 2nd payment from 1 April to 31 March 21 at 65% of total liability.
- Make full payment of total liabilty with 3rd payment to avoid interest.

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