

TaxTim gives advice to get a tax refund

According to the South African Revenue Services (SARS) there are still more than two million salary earners who need to file their tax returns before the end of the 2013 filing season on 22 November 2013.

Most taxpayers expect that filing their returns guarantees them a tax refund, and file returns for this reason only. In the most basic employee case, the correct amount of tax was likely paid by employers on behalf of their employees via their PAYE automatically and thus no unnecessary over-payment took place, resulting in no refund to be expected back from SARS.

What can result in a refund?

- If you contributed toward a medical aid, medical expenses or a retirement fund. The government allows deductions for health care for its citizens in a limited way, so if you have made your own payment then this can be used as a tax deduction to offset the tax that you owe SARS.
- If you changed jobs during the year or had ad-hoc work only. In some cases when employers submit IRP5 documents for employees working for part of a year, they have to estimate the tax bracket for that employee for the entire year. If they estimate the employee will earn more than they actually end up earning, then it is possible that too much tax was paid and the employee is due a refund.
- If you made any donations to charities during the year then a value up to 10% of your taxable income can be used to reduce the tax you owe SARS.
- If you use your personal laptop for work purposes and this is not subsidised, then you can write off a portion of its purchase price each year and use this to reduce the amount you owe SARS. This write off is known as 'wear and tear', but called depreciation on your tax return.
- If you are provided with a travel allowance by your employer, this counts as a fringe benefit on top of your salary and thus counts as extra income which SARS will tax you on. However if you can prove to SARS that you used your travel allowance by including data from your dutifully maintained vehicle logbook all year round, then this extra income is reduced along with your tax owed.
- Any silly mistake on your tax return can lead to an over-payment of tax; getting your tax return right first time can lead to a significantly larger refund being due. Doing things incorrectly can mean the reverse - a heavy penalty from SARS.

Right help is essential

The chance of getting a refund is reduced if the tax return form is filled in incorrectly or is submitted without all the required details. Finding the right help is essential when completing income tax returns and taxpayers need to understand the risk of accepting tax assistance from people who aren't officially registered as tax practitioners, especially when they promise guaranteed refunds.

Taxpayers must make sure that anyone assisting them with their taxes is registered with SARS, and must understand that a tax refund is never guaranteed, only a potential reward for being a compliant taxpayer. For those interested in doing their own returns, TaxTim helps taxpayers understand their taxes and do their returns quickly and correctly the first time.

For the remaining month of tax season TaxTim is running a Double Your Refund lucky draw, open to anyone who uses their service. For more information, go to www.tinyurl.com/doublemyrefund.

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