

**Turnover tax: Is it too good to be true for micro-business in South  
Africa?  
An exploratory study**

by

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*“House and riches are the inheritance of fathers: and a prudent wife is from the LORD”*

Proverbs 19:14

Last but not least, to my Redeemer and Saviour, Jesus Christ, who has given me the ability, by His grace, to complete this mini-dissertation.

## **ABSTRACT**

### **Turnover tax: is it too good to be true for micro-business in South Africa?**

#### **An exploratory study.**

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Presumptive taxes are normally used for taxing the hard-to-tax informal taxpayers, i.e. those who have not registered and remain outside the normal tax net. These taxes are also used by tax authorities in an attempt to reduce the compliance cost. The importance of small business and the stimulus to create jobs form a focal point for government. The South African Revenue Service introduced a turnover tax system available to micro-businesses in South Africa. For this study, data was collected by distributing an internet-based questionnaire to registered micro-businesses to determine both the effect of the turnover tax system on compliance cost and the general view of the new tax system held by micro-business owners. The compliance costs associated with the turnover tax have been identified and discussed. Micro-business owners indicated a positive attitude to the turnover system despite the negative reaction by tax practitioners in the market place. The introduction of the turnover tax system has had an impact on the compliance cost of micro-businesses, resulting in the owners beginning to move away from the costly services of tax practitioners to actively submitting their returns and taking control of their own tax affairs. The turnover tax system is aimed at reducing the cost of compliance.

## **OPSOMMING**

# **Omsetbelasting: Is dit te goed om waar te wees vir mikro-besigheid in Suid-Afrika?**

## **'n Verduidelikende studie.**

deur

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Veronderstellingsbelasting word gewoonlik aangewend om die moeilik belasbare informele belastingpligtige, met ander woorde diegene wat nie geregistreer het nie en buite die normale belastingvangnet val, te belas. Dié belasting word ook deur belastingowerhede aangewend in 'n poging om die nakomingskoste te verminder. Die belangrikheid van kleinsake-ondernemings en die stimulus om werk te verskaf vorm 'n sentrale fokuspunt vir die regering. Die Suid Afrikaanse Inkomstediens het 'n omsetbelastingstelsel vir mikro-besighede in Suid-Afrika ingestel. Vir die doel van hierdie studie, is data versamel deur 'n internetgebaseerde vraelys aan geregistreerde mikrobesighede te versprei om die effek van omsetbelasting op nakomingskoste asook die algemene beskouing van die eienaars van mikro-besighede ten opsigte van die nuwe belastingstelsel te bepaal. Die nakomingskoste wat met omsetbelasting gepaard gaan, is geïdentifiseer en bespreek. Die eienaars van mikro-besighede het 'n positiewe houding jeens die omsetbelastingstelsel geopenbaar ten spyte van negatiewe reaksie van belastingpraktisyns in die mark. Die instelling van die omsetbelastingstelsel het 'n impak op nakomingskoste van mikrobesighede, wat daartoe lei dat die eienaars begin weg beweeg van die duur dienste van belastingpraktisyns om hul belastingopgawes in te dien. Hulle neem self beheer oor hul belastingsake. Die omsetbelastingstelsel is daarop gemik om die nakomingskoste te verminder.

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# **TURNOVER TAX: IS IT TOO GOOD TO BE TRUE FOR MICRO-BUSINESS IN SOUTH AFRICA? AN EXPLORATORY STUDY.**

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

According to Donald Rumsfeld, a former United States Secretary of State, “[t]here are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don’t know. But there are also unknown unknowns. There are things we don’t know we don’t know.”

The South African Government recently introduced a simplified tax called Presumptive turnover taxation, available on election by micro-businesses in South Africa (SA). The introduction of this tax gave small businesses in South Africa the opportunity of reducing their tax compliance cost and encouraging the focus on job creation. With the introduction of this new legislation, one can only ponder on Rumsfeld’s words and speculate on the associated ‘unknown unknowns’ from the perspectives of government and micro-business owners.

The importance of small business for job creation is widely recognised in SA (FIAS, 2007:10). This is supported by the fact that small, medium and micro-business contributes 36,1% to the country’s gross domestic product, as well as employing 68,2% of the workforce in the private sector (FIAS, 2007:10).

Manuel (2008:7) stated that the greatest economic challenge to the South African economy is the high rate of unemployment. He also said (2008:8) that small business supports aims to encourage job creation. The importance of small business in SA cannot

be emphasised too strongly when it comes to assisting government with its greatest economic challenge, reducing unemployment.

Although the introduction of presumptive turnover tax met mixed reactions (BDO, 2009; Anon, 2008; Stein, 2009:1-2), little is known of the effects or consequences of this shift from tax on profit to tax on the turnover of a micro-business in SA. The National Treasury also warned that the purpose of the turnover tax is to reduce the cost of tax compliance, but not necessarily the tax liability of the small business (Guest, 2008).

## **1.2 PROBLEM STATEMENT**

The main purpose of this exploratory study is to determine the extent to which the introduction of the presumptive turnover tax system has influenced and reduced the tax compliance cost of micro-business in SA.

## **1.3 RESEARCH OBJECTIVES**

The objectives of the study are:

- to determine what should be included under the term “compliance cost” before the implementation of presumptive tax;
- to determine what should be included under the term “compliance cost” after the implementation of presumptive tax; and
- to determine and compare the compliance cost for micro-businesses before and after the implementation of presumptive tax in order to determine whether the compliance costs increased or reduced as a result of the presumptive turnover tax introduction.

## **1.4 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY**

The introduction of the presumptive turnover taxation of micro-businesses met mixed reactions in the marketplace. Government acknowledges the valuable contribution by small and micro-businesses to job creation. It also acknowledges the need to stimulate

the economy in both the private and informal sectors. There is no South African academic literature on presumptive turnover taxation, its effect on the economy and, in particular, the compliance cost for micro-businesses.

This study will contribute to the academic literature by providing some clarity on the effectiveness of the reduction of the tax compliance burden for micro-business owners and will pave the way for further research.

## **1.5 DELIMITATIONS AND ASSUMPTIONS**

### **1.5.1 Delimitations**

The following delimitations applied to this exploratory study:

- it will not be possible to identify the population for this study because of the secrecy provisions of the Income Tax Act 58 of 1962;
- the research questionnaire in this study was internet-based and was forwarded only to members of the population who had e-mail addresses. The invitation was sent from a private e-mail address, so the respondents could have seen it as fraudulent or as one of the latest phishing e-mails; and
- the research questionnaire was lengthy and attempted to cater for most scenarios. There are possibly other scenarios or facts. Participants may have rushed through the questions in order to complete the survey.

### **1.5.2 Assumptions**

The study was based on the following assumptions:

- respondents who decided to participate in this study had the requested information. It is also assumed that the respondents had the correct understanding of the various technical terms used in the research questionnaire; and
- the participants were computer literate so could correctly submit the internet-based survey.

## 1.6 DEFINITION OF KEY TERMS

The definitions and key terms for purposes of this study are explained below.

**Accrue:** A technical income taxation term used to indicate the point at which a person becomes unconditionally entitled to an amount (South African Revenue Service (SARS), 2009:1).

**Capital gains tax:** A tax imposed on receipts and accruals of a capital nature when an asset has been disposed of. The tax is calculated according to the difference between the proceeds from the disposal (sale) and the base cost (original cost) of the asset (SARS, 2009:1).

**Employees' tax:** Employers must deduct this tax from their employees' earnings on a monthly basis and must pay the amount withheld over to SARS (SARS, 2009:1).

**Income tax:** The annual normal tax levied, in terms of section 5 of the Income Tax Act, in respect of taxable receipts and accruals during the year of assessment for the person.

**Investment income:** For purposes of the turnover tax system, the definition in section 12E of the Income Tax Act should be used. This basically includes any dividends, royalties, rental derived from immovable property, annuities, income of a similar nature and interest, including proceeds derived from investment or trading in financial instruments, marketable securities or immovable properties (SARS, 2009:1).

**Micro-business:** A business that has not been disqualified from using the Turnover tax system and whose "qualifying turnover" has not exceeded R 1 million during the year of assessment (SARS, 2009:1).

**Provisional tax:** Paragraph 1 of the Fourth Schedule to the Income Tax Act defines provisional tax as the amount paid in terms of paragraph 17 of the said schedule. Paragraph 17 of the Fourth Schedule to the Income Tax Act indicates that provisional payment that has to be paid to SARS will be based on an estimate of the taxable income

of the business, and these provisional payments will be off-set against the final tax liability of the business as determined at the end of the year of assessment.

**Qualifying turnover:** In terms of paragraph 1 of the Sixth Schedule to the Income Tax Act the total receipt from operating the business specifically excludes amounts of a capital nature and certain tax-exempted government grants.

**Registered micro-business:** This is a micro-business that has successfully registered with SARS for the turnover tax system (SARS, 2009:1).

**Secondary tax on companies:** In terms of section 64B(2) of the Income Tax Act, this is the tax levied on the net dividend declared by a company which is a resident.

**Small business corporation:** For purposes of this study, the definition of small business corporation as defined in section 12E of the Income Tax Act is used. This definition includes any close corporation or private company with only natural persons as shareholders. In addition, the turnover of these close corporations and private companies may not exceed a R 14 million turnover during any year of assessment.

**Small business:** Any small business corporation, micro-business, or any other business, incorporated or sole proprietor, which should be registered as a taxpayer.

**Tax practitioner:** Any natural person who provides advice with respect to the application of the Income Tax Act or who completes or assists in completing any document to be submitted to SARS. In terms of section 67A(1) of the Income Tax Act, these natural persons are obliged to register with SARS as a practitioner subject to a few exclusions contained in subsection (2) of the applicable section.

**The Income Tax Act:** Income Tax Act 58 of 1962.

**Turnover tax:** The annual tax payable and calculated based on the taxable turnover of the registered micro-business by applying the relevant rate (SARS, 2009:1).

**Value-added tax:** Section 7 of the Value-Added Tax Act 89 of 1991 indicates that a tax shall be levied on the supply of goods and services, the importation of goods and the supply of imported services at a rate of 14 per cent.

**Year of assessment:** The definition as set out in section 1 of the Income Tax Act will be used in this study. This is the period in which the income tax is levied, and will be from 1 March to 28 February of the following year. If the year of assessment ends on 28 February 2010, the period of 1 March 2009 to 28 February 2010 is normally referred to as the 2010 year of assessment.

Some abbreviations were used throughout the study. These abbreviations are listed in Table 1 below:

**Table 1: Abbreviations used in this document**

<b>Abbreviation</b>	<b>Meaning</b>
CGT	Capital gains tax
FIAS	The Investment Climate Advisory Service
IMF	International Monetary Fund
SA	South Africa
SARS	South African Revenue Service
STC	Secondary tax on companies
Income Tax Act	Income Tax Act 58 of 1962.
VAT	Value-added tax

## CHAPTER 2

# THE SOUTH AFRICAN TAX STRUCTURE

### 2.1 INTRODUCTION

In this chapter the South African tax structure will be briefly discussed and the tax liability for small businesses, based on the different tax relief options available within the structure, will be compared with normal company tax.

### 2.2 SMALL BUSINESS TAXATION IN SA

In SA, the Government's greatest economic challenge remains the current high unemployment rate (Manuel, 2008:7). Since 2005, Government has made various attempts to create an economic environment in which businesses are encouraged to expand, resulting in an increase in job opportunities. Various tax legislation changes have been made to stimulate the economy and to provide motivation for the establishment and growth of small businesses.

Manuel (2005:28) announced that Government would initiate a series of programs and tax reforms to make life easier for small business and to remove limitations on small business development. He proposed (2006:22) various changes to tax legislation as a result of the programs for small business introduced in 2005. The stimulus measures aimed at small business development included changes to section 12E of the Income Tax Act, as well as capital gains tax (CGT) relief and the immediate depreciation of assets worth less than R 5 000. Manuel (2006:23) also indicated that during 2006 SARS would offer a tax amnesty to small businesses with a turnover not exceeding R 5 million, with the principal aim of giving the historically marginalised the opportunity of regularising their tax status.

Section 12E of the Income Tax Act has been amended on various occasions since its introduction in 2001. This section provides lower tax rates for 'Small Business Corporations' as defined in the section, which is shown in Table 2 below. 'Small business corporations' refers only to private companies and close corporations.



**Table 2: Section 12E small business corporation taxation rates for the 2011 year of assessment**

<b>Taxable income</b>	<b>Rates of tax</b>
Not exceeding R 57 000	0 per cent of taxable income
Exceeding R 57 000 but not exceeding R 300 000	10 per cent of the amount by which the taxable income exceeds R 57 000
Exceeding R 300 000	R 24 300 plus 28 per cent of the amount by which the taxable income exceeds R 300 000

Source: Income Tax Act

## 2.3 THE TAXATION OF INDIVIDUALS IN SOUTH AFRICA

In SA, individuals are taxable on their annual taxable income. The tax rate for individuals is set annually by the National Treasury and announced during the Budget Speech by the Finance Minister. The statutory tax rates applicable to individuals for the 2011 year of assessment are set out in Table 3 below.

**Table 3: Statutory tax tables for natural persons during the 2011 year of assessment**

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R 140 000	18 per cent of taxable income
Exceeding R 140 000 but not exceeding R 221 000	R 25 200 plus 25 per cent of the amount by which the taxable income exceeds R 140 000
Exceeding R 221 000 but not exceeding R 305 000	R 45 450 plus 30 per cent of the amount by which the taxable income exceeds R 221 000
Exceeding R 305 000 but not exceeding R 431 000	R 70 650 plus 35 per cent of the amount by which the taxable income exceeds R 305 000
Exceeding R 431 000 but not exceeding R 552 000	R 114 750 plus 38 per cent of the amount by which the taxable income exceeds R 431 000
Exceeding R 552 000	R 160 730 plus 40 per cent of the amount by which the taxable income exceeds R 552 000

Source: Income Tax Act

Individuals are also entitled to a tax rebate, which is deducted from the normal tax liability based on the age of the individual on the last day of the year of assessment. The rebate for individuals in the 2011 year of assessment is R 9 756 for individuals less than 65 years of age, known as the primary rebate, and R 5 400 for individuals of 65 years and older, known as the secondary rebate. Individuals aged 65 and older are entitled to both the primary and secondary rebate.

## 2.4 TURNOVER TAX

As part of Government's broader mandate to encourage the growth of small business, presumptive turnover tax was introduced into SA as an alternative to income tax and VAT (Manuel, 2008:21). This will decrease the tax compliance burden on small business and enable an environment in which these businesses can be formed, grow and survive.

The simplified tax system is a package consisting of a turnover tax in place of income tax, VAT, CGT and STC (SARS, 2009:2). It is estimated that of about 400 000 companies registered at September 2008 with a turnover of R1 million or less, around 50 000 of these will qualify for the turnover tax (Vanek, 2009). The turnover tax will be calculated by applying the tax rate, as set out in Table 4, to the 'taxable turnover' of the micro-business as defined in the Income Tax Act.

**Table 4: Turnover tax rates**

Turnover	Marginal rates (R)
R 0 – R 100 000	0%
R 100 001 – R 300 000	1% of each R1 above R 100 000
R 300 001 – R 500 000	R 2 000 + 3% of each R1 above R 300 000
R 500 001 – R 750 000	R 8 000 + 5% of each R1 above R 500 000
R 750 000 and above	R 20 500 + 7% of each R1 above R 750 000

Source: Income Tax Act

## 2.5 NORMAL TAX AS OPPOSED TO TURNOVER TAX

Turnover tax is a presumptive tax that is normally implemented with specific goals in mind. Normal tax is more difficult to determine because of the various rules and systems applicable in deriving the taxable income of the taxpayer on which the normal tax is levied. Table 5 sets out the difference between these two taxes in the South African context.

**Table 5: Difference between normal tax and presumptive tax in SA**

Normal tax	Presumptive tax
Gross income	Gross income
Less: Exempt income	Less: Exempt income (all income of a registered micro-business on the turnover tax basis is exempt from normal tax)
Income	
Less: Deductions	
Taxable income	
Taxed on taxable income	Taxed on 'taxable turnover'

It is clear from the above that the presumptive tax is a standalone tax, which can be more readily assessed.

## 2.6 TAX COMPARISON

The tax payable by a taxpayer in terms of these sections will differ as a result of the bracket and tax rate difference between them. Table 6 below sets out the tax payable by a small business corporation, a micro-business and an individual based on R 900 000 income, R 500 000 cost of sales and R 200 000 wage expenses. Apart from the turnover tax taxpayer, all others will be taxed on the taxable income (income less expenses) of R 300 000. The turnover tax taxpayer will be taxed on the taxable turnover of R 900 000. The tax payable differs between R 31 000 and R 84 000 depending the type of taxpayer who conducts the business.

**Table 6: Tax payable comparison based on the same amount for various types of taxpayers**

	Turnover tax	Individual tax	Small business tax	Normal company tax
Taxable turnover / taxable income	900 000	300 000	300 000	300 000
Tax payable based on taxable turnover/income	31 000	59 934	24 300	84 000

## CONCLUSION

The turnover tax system exempts a taxpayer from being taxed under the normal tax structure. In terms of the turnover tax system, the tax liability is determined on the taxable turnover as opposed to the taxable income of the normal taxpayer. The tax liability under the turnover tax is not the best option available to small businesses in SA.

In the context of the South African tax structure, small businesses would achieve the lowest tax liability if the businesses were small business corporations and were taxed in terms of section 12E of the Income Tax Act.

In Chapter 3 the principles of presumptive taxes as well as the components of South African turnover tax will be discussed.

## CHAPTER 3

### PRESUMPTIVE TURNOVER TAX

#### 3.1 INTRODUCTION

In the previous chapter, the South African tax structure was briefly discussed, along with a comparison of the tax liability based on the different tax relief available to small businesses as shown in table 6.

To achieve the objective of this study, that is, to determine whether the turnover tax system will be beneficial to micro-business in reducing and alleviating the cost of tax compliance, this chapter discusses the purpose of presumptive taxes.

Presumptive tax is normally introduced with a specific goal in mind. In addition, it is imperative to understand the fundamentals of a presumptive tax in order to determine or evaluate the benefits derived from it. In this chapter the fundamentals of a presumptive tax system and the components of the turnover tax introduced in SA will be discussed.

#### 3.2 PRESUMPTIVE TAX

Taxation is a key component in defining the business climate and political accountability mechanisms (Stern & Loeprick, 2007:1). Stern and Loeprick (2007:1) also indicate that focus is on implementing revenue-generating mechanisms, and little attention is given to the effects of the investment and economic growth system.

Taxation can be imposed in many ways. However, developed tax systems tend to tax income by means of sophisticated accounting systems and record-keeping (Wallace, 2002:1). Some corporations and individuals remain outside the tax system by using different types of avoidance and evasion techniques. Individuals and small enterprises can be compared with large corporations which remain outside the tax net of their country by simply remaining unknown to its tax authority. That country's tax base is consequently smaller than it should be.

Presumptive or imputed taxes are a substitute for the standard tax system and are applied where the tax base is small and difficult to verify because of limited administration resources or improper accounting practices (Pashev, 2006:400).

### **3.2.1 The rationale for presumptive tax**

Pashev (2006:401) argues that presumptive tax aims at improving the efficiency of tax collection with specific focus on reducing the compliance cost for the taxpayer, reducing the administrative cost of compliance and enforcing management, as well as bridging the transition from an informal to a formal activity. The latter will also affect taxation of the taxpayer by converting it from an assessment based on assumptions to one based on actual income as determined by the entity's specific accounting systems.

Presumptive taxation systems are used by tax authorities to tax the "hard-to-tax" informal taxpayers. It focuses on non-compliance by small businesses, professionals, individuals and even larger businesses (IMF, 1996:6). Tax evasion levels among small businesses are extremely high, and many of these presumptive tax systems were designed with these taxpayers in mind. In addition, Wallace (2002:2) stated that tax authorities had attempted to reduce tax avoidance and evasion among the larger companies by creating a tax system that small, medium and large businesses alike perceived to be fair.

### **3.2.2 The mechanism of presumptive tax**

Although other groupings exist, presumptive tax calculations can be divided into four basic systems (Bulutoglu, 1995:258). These systems, based on international experience, are applied to the following:

- income estimation;
- asset taxation;
- gross receipts or turnover tax; and
- external indicators of income.

According to Bulutoglu (1995:259), an authority's decision on which of the relevant systems should be applied is taken according to the goal the tax is meant to achieve in that country. The design of the tax system should be based on the particular problems to be addressed (IMF, 1996:6).

Presumptive taxation is commonly used for income tax. But while it is limited to income tax, it can also be used for other taxes like excise taxes, and the forfait in France that includes value-added tax and income tax (IMF, 1996:5).

In accordance with the four basic systems identified by Bulutoglu (1995:258), SA's turnover tax is based on the "gross receipts or turnover tax" group. The tax liability is determined according to the receipt or turnover of the taxpayer, which will be discussed later in this chapter. It can also be argued that the South African legislature had a specific group in mind when they designed this tax.

### **3.2.3 Advantages of presumptive tax**

If the compliance burden for taxpayers is reduced, presumptive taxation could reduce tax evasion. Further, the introduction of most presumptive tax systems encourages the start of new legitimate business enterprises (Wallace, 2002:4).

Wallace (2002:4) also indicated that it is difficult to move away from the presumptive system for small business once it has been introduced. In addition, those who draft the tax laws should keep this in mind when the main focus of the presumptive tax system is to bring these businesses into the tax net and later transfer them to the normal tax system.

The South African National Treasury apparently had this in mind when they introduced the presumptive tax system. Small businesses in SA enjoy the benefit of certain tax programs introduced by government to enable business development and job creation, which will be discussed later in this study.

Wallace (2002:4) also indicated that by setting tax rates under the simplified system at a low, reasonable rate, those taxpayers who would like to register and enter the tax net

would be encouraged to do so. Government also introduced the small business tax amnesty during 2006 in order to decrease tax evasion and avoidance by small businesses by granting amnesty for past tax affairs.

### **3.2.4 Disadvantages of presumptive tax**

Wallace (2002:5) stated that presumptive tax systems are based on assumptions that may result in taxation being levied on estimated amounts. In addition, the estimation of turnover income may result in significantly over- or understated income. However, considering the various countries where some form of presumptive taxation has been introduced, the benefits received seem to outweigh the costs.

## **3.3 TURNOVER TAX**

The simplified tax was broadly advertised by SARS in the first quarter of 2009. Essentially the turnover tax is a substitute for income tax, VAT, CGT and STC (SARS, 2009:2). The simplicity of the tax system was questioned by some tax practitioners (Stein, 2009:1). Turnover tax will be levied annually and calculated by applying a sliding scale tax rate to the “taxable turnover” of the micro-business (SARS, 2009:2).

The main focus of the turnover tax was to reduce the compliance cost for the micro-business. However, the question remains whether the main purpose of this tax was achieved.

### **3.3.1 Structural design**

The turnover tax is a form of presumptive tax. These taxes are used mainly in developing countries, compromising accuracy for the sake of simplicity (SARS, 2009:3). The turnover tax was enacted in terms of section 71 of the Revenue Laws Amendment Act (60:2008). It is a standalone tax and is housed in the Sixth Schedule to the Act (SARS 2009:5). The schedule consists of six parts and 15 paragraphs in total, which at first glance appears to meet the requirements of simplicity.



SARS (2009:5) indicated that the burden of the higher end of the turnover tax system had been increased in order to encourage growing micro-businesses to start maintaining accounting records and to migrate into the normal tax system. This bridge from the informal to the formal system is one of the principles of presumptive tax, as discussed earlier in this chapter. SARS (2009:5) maintains that special consideration was given to the tax for micro-businesses to grow and migrate to the normal tax system and not to artificially or inadvertently encourage them to remain in the turnover tax system.

### **3.3.2 Turnover tax concepts**

The legislation introduced the concepts of “professional services”, “qualifying turnover”, “taxable turnover” and “micro-business”. Along with these concepts, reference is made to other definitions in the Income Tax Act, which are not easy to understand. Stein (2009:1) is of the opinion that a micro-business owner who understands the “connected person” definition in the Income Tax Act would, in all probability, receive a doctoral degree from a local university.

Although Stein was cynical about this, it should also be recognised that the concept is not a simple one, and misunderstanding could cost the micro-business owner dearly. It is important to establish whether the legislation has been simplified sufficiently so that those business owners who are without the expensive assistance of tax practitioners can understand it. This question remains unanswered, as there is as yet no research on this newly-introduced tax.

Another interesting point is that a business has to determine the “qualifying turnover” in order to decide whether the simplified tax can be applied. However, the simplified tax is calculated on the “taxable turnover”, not on the “qualifying turnover”. This in itself indicates that the tax is not as simple as has been presumed by SARS and the National Treasury, and will in all probability cause confusion among micro-business owners. The various concepts introduced will be discussed below.

### 3.3.3 Taxable turnover

The concept of taxable turnover contains specific inclusions and exclusions that have to be considered when deciding whether to register. The simplified tax was created to replace the various taxes already mentioned above.

Taxable turnover is the amount not of a capital nature received by the micro-business during the year of assessment (SARS 2009:8). This means that a micro-business pays tax only on amounts actually received rather than amounts accrued under the normal tax system. According to Stein (2009:2) the cash basis, i.e. receipt instead of accrual, is the only major advantage derived from the turnover tax system.

Taxable income specifically includes the following:

- 50 per cent of all receipts of a capital nature;
- investment income for companies; and
- previously claimed allowances for newly registered micro-businesses,

and specifically excludes the following:

- investment income for individuals;
- certain tax exemption grants; and
- amounts received by the micro-business that previously accrued under the normal income tax system.

### 3.3.4 Capital receipts

SARS (2009:9) states that micro-businesses will be exempt from CGT. However, as a substitute for this, a micro-business would simply have to add 50 per cent of receipts of capital sales into taxable turnover.

If it is true that no CGT is payable by a micro-business under the turnover tax, the specific inclusion would appear to be incorrect. Normally CGT is calculated only on the gain made, i.e. proceeds less base cost, and payable only where there has been a capital gain, i.e.

proceeds exceed base cost. It seems that the micro-business owner will still incur a CGT charge, as 50 per cent of the proceeds are specifically included in “taxable turnover”.

This inclusion is higher than that under the normal tax system, where only 50 per cent of the gain is included instead of 50 per cent of the proceeds from the sale. Nevertheless, SARS’ indication that no CGT is payable by the micro-business is interesting to note. In addition, Stein (2009:1) indicates that the capital amount must also be included in the taxable turnover where a loss has been incurred. This practice is contrary to that in the normal tax system, where a capital loss can be offset against a capital gain.

The micro-business owner is exposed to the concept of “receipt of a capital nature”, which SARS itself indicates is a technical term (SARS, 2009:1). Many of the case law instances in SA are judged on the issue of capital vs. revenue. Whether this is understood by the normal micro-business owner trying to make ends meet will remain unanswered.

Under the normal tax system, the inclusion for an individual would have been 25 per cent. However, when it comes to a close corporation, 50 per cent will still be included in the taxable turnover.

### **3.3.5 Investment income for companies**

The definition of investment income is contained in section 12E of the Income Tax Act and is arguably not at all easy for any micro-business owner to understand in legalese. SARS has defined the term in the micro-business brochure in order to help the micro-business owner understand the legislation (SARS, 2009:1).

### **3.3.6 Previously-claimed allowances**

The inclusion of previously-claimed allowances, subject to certain limits, is one of the more technical inclusions in the definition of “taxable turnover”.

SARS (2009:8) indicates that, in order to avoid double taxation, the inclusion of previously-claimed allowances will be limited to the excess of the allowances over the balance of the

assessed loss. The micro-business will be prohibited from carrying forward the balance of the assessed loss. It is not known whether the micro-business owner who had previously consulted a tax practitioner would be aware of any allowances previously claimed by the tax practitioner. The apparent result of this legislation seems to be that the micro-business owner would have no choice but to revert to his tax practitioner for expensive assistance and advice.

If the taxpayer is either a sole proprietor or is in a partnership, and has elected to use the turnover tax system, an even more difficult situation arises. SARS will tax the taxpayer under both the tax systems, i.e. the normal tax system for salaries and investment income received by the taxpayer and the turnover tax system for the income of the business (SARS, 2009:15). Any salaries and investment income are therefore specifically excluded from “taxable turnover”.

### **3.3.7 Investment income for individuals**

SARS (2009:8) indicated that to cater for the common law principles that the individual and the business are not distinct or separate entities, investment income is excluded from the definition of “taxable turnover” and will be taxed, subject to the applicable annual exclusions, in terms of the normal income tax rules.

### **3.3.8 Government grants**

Paragraph 7(b) of the Sixth Schedule to the Income Tax Act refers to specific subsections of section 10 in the Income Tax Act, where the exemptions from normal income tax are hosted. These specific sections are entrenched in difficult legalese and will not be readily understood by the micro-business owner.

### **3.3.9 Previously accrued amounts**

SARS (2009:8) indicates that the amount that accrued to the business prior to its registration for turnover tax should be excluded from the taxable turnover. Further, “accrue” is defined as a technical term to indicate the point at which one became

unconditionally entitled to an amount (SARS, 2009:1). The micro-business owner who had previously been consulting a tax practitioner would not be able to indicate which amounts had already accrued and were included in the taxable income of the previous year of assessment. It seems that this specific exclusion would force the micro-business owner to incur the expense of consulting a tax practitioner. This, in turn, would increase the compliance cost for the micro-business.

### **3.3.10 Salary income**

According to SARS' brochure (SARS, 2009:8), salary income, other than the notional salary a sole proprietor pays to himself, will be taxed under the normal system. However, in terms of paragraph 7(b) of the Sixth Schedule to the Income Tax Act, this specific exemption has not been included in the legislation.

### **3.3.11 Qualifying turnover**

Qualifying turnover is the total amount received by the micro-business during the year of assessment and excludes receipts of a capital nature and government grants (SARS, 2009:5). These concepts are discussed above and, as indicated, cannot be readily understood by the normal micro-business owner.

A business will be able to register for the turnover tax if the qualifiable turnover is less than R1 million for the year of assessment. In addition, the business owner who does qualify should pay the tax on the taxable turnover, which may be confusing (Stein, 2009:1)

### **3.3.12 Professional services**

The definition of "professional services" was widely criticised in the public arena and includes various prohibited trades that will not qualify for the turnover tax system.

### **3.4 PAYMENT OF TURNOVER TAX**

Micro-businesses will submit two interim payments and one final payment on assessment, if relevant, during the year of assessment (SARS, 2009:10). The first interim payment, based on 50 per cent of the estimated turnover tax payable at the end of the year, is payable on 31 August of the year of assessment. The remainder of the turnover tax payable, 100 per cent of the estimated amount less the first interim payment, is payable on 28 February, the last day of the year of assessment.

In addition, where the estimate is not at least 80 per cent of the actual turnover tax payable, an additional tax of 20 per cent of the difference between the estimated amount and actual turnover tax will be raised. The additional tax may also be waived in certain circumstances.

Stein (2009:2) indicates that the micro-business owner will have to pay two interim payments during the year, despite SARS' proud and enthusiastic propagation of the turnover tax system, claiming that no provisional payments will be made. It is interesting to note that the interim payment structure mirrors the provisional tax system, with the same penal provisions as the normal provisional tax system. Stein (2009:2) stated that "[t]heir provisional payments are simply called interim payments".

It is clear that the micro-business owner will continue to incur the compliance cost associated with provisional tax payments even if the business registers for the turnover tax system.

### **3.5 STC**

Stein (2009:2) is of opinion that SARS' claim that micro-businesses will not pay STC is merely another fallacy. SARS (2009:9) indicated that to the extent to which a dividend does not exceed R 200 000 per annum, no STC will be payable.

Stein (2009:2) also indicated that it would be foolish to take a salary in an incorporated micro-business, i.e. a company or close corporation, where no deductions are allowed. It

seems that an STC charge would be inevitable in an incorporated micro-business environment.

### **3.6 PAYROLL TAXES**

The turnover tax system brings no relief to the micro-business when it comes to payroll taxes. Micro-businesses' will still be liable for employees' tax, i.e. PAYE and SITE, unemployment insurance and the skills development levy (SARS, 2009: 3). SARS (2009:15) clearly indicates that the normal provisions of the Income Tax Act associated with employees' tax apply to the micro business.

From the perspective of compliance cost, the turnover tax system will not bring any relief to the micro-business owner.

### **3.7 VAT**

One of the prerequisites for registering for the turnover tax is deregistration from VAT by the aspirant micro-business. Small business surveys have indicated that VAT is the most burdensome tax to comply with because of the requirement to keep a diligent record per transaction (SARS. 2009:11). In addition, SARS (2009:11) indicated that, as a result of the demanding record-keeping requirements associated with VAT, the registration threshold had been increased from R300 000 to R1 000 000. SARS (2009:11) proudly indicates that this was one of the means by which the compliance cost for small businesses could be reduced.

Increasing the VAT registration threshold to R1 000 000 allowed all businesses with a turnover of less than R1 000 000 to deregister from the normal tax system if they chose. It is arguable whether this is a benefit to the micro-business if it is available to all other businesses meeting the requirements of the threshold. Stein (2009:2) concurs that there is no point in registering for the turnover tax to escape the entrenched obligations for the VAT vendor. He also questions whether the VAT deregistration is of any advantage to small businesses as they will be able to reduce their VAT returns to three per year in any event.

In deregistering from VAT, the micro-business will no longer be able to claim any input tax credits on purchases. Stein (2009:2) questions whether the VAT deregistration will be beneficial, especially where a business provides its products mainly for vendors that can claim input tax credits. Lester (2009:1) shares Stein's view, arguing that the VAT deregistration could carry a price tag higher than the turnover tax itself.

It is interesting to see that Makwakwa (quoted by Vanek, 2009:1) mentioned the fear of deregistering from VAT as one of the contributing factors in the low uptake of the turnover tax system. It is clear that VAT deregistration had a severe impact on the turnover tax base, and it remains debatable whether or not the benefits derived from it were greater than the input tax credit.

### **3.8 RECORD-KEEPING**

Record-keeping was reduced to the minimum in the turnover tax system. SARS (2009:11) indicated that the micro-business had to keep only the following records:

- amounts received during the year of assessment;
- dividends declared during the year of assessment;
- each asset, with a cost price of R10 000 or more, at the end of the year of assessment; and
- each liability of R10 000 or more at the end of the year of assessment.

### **3.9 GENERAL ADMINISTRATION**

Paragraph 15 of the Sixth Schedule to the Income Tax Act indicates that Chapter III of the Income Tax Act will be applicable. Chapter III of the Income Tax Act contains all general administrative provisions as included in sections 65 to 112 and will still be applicable to the turnover tax system taxpayers. These provisions include those relating to returns, assessments, alternative dispute resolutions, interest, refunds and anti-avoidance provisions.



These provisions are quite technical in nature and a micro-business owner might be obliged to consult a tax practitioner once one of them arises.

### **3.10 TURNOVER TAX REGISTRATION**

Although SARS has published a “Frequently Asked Questions” list and a “Micro-business Brochure”, the registration process cannot be that easily understood. Stein (2009:1) is of the opinion that the rules are complex and that the aspirant micro-business owner is prohibited from holding forbidden shares and rendering forbidden services; the owner may derive only limited investment income and may not be a “personal service provider”.

At the end of September 2008, SARS had 400 000 companies with a turnover of R1 million or less on the register, and only 4 209 businesses registered for the turnover tax at the end of April 2009 (Vanek, 2009). Vanek (2009) stated further that the SARS spokesperson, Makwakwa as quoted in Vanek (2009), thought that the reason for the disappointing number of registrations might have been that the legislation had not been understood. This concern is valid, as the legislation had apparently not been simplified to the extent initially anticipated.

To conclude, it is obvious that the definitions and concepts associated with the turnover tax still require interpretation, as they are not easy for a normal business owner to understand without the help of a tax practitioner. An understanding of the legislation is imperative if the owner is to decide whether the simplified tax system is, in fact, the easiest route to take. This conundrum is reflected in the number of applications received.

### **3.11 TURNOVER TAX RATE**

SARS (2009:14) indicated that the main purposes of the turnover tax were aimed at reducing the compliance cost for the micro-business, not necessarily the tax charge payable. Needless to say, the exact view was expressed by the National Treasury (Guest, 2009). A comparison between the various tax structures was discussed in Chapter 2.

According to Stein (2009:3), a close inspection of the numbers involved reveals that the tax payable by micro-businesses can be among the highest an entity will pay. Lester (2009) concurs, indicating that the additional tax paid exceeds the cost of the accounting records. Hassan (2009) also warns that careful consideration should be given to all compliance costs against the turnover tax regime sliding scale.

### **3.12 CONCLUSION**

Presumptive tax systems are designed by the legislature to counter specific identified issues from a fiscal perspective. Various factors have to be considered when designing these systems.

The turnover tax system in SA provided some tax relief and introduced specific record-keeping requirements in an attempt to reduce compliance costs for taxpayers registered as micro-businesses under this system. Although SARS claimed that the turnover tax had been simplified, various new concepts like “qualifying turnover” and “taxable turnover” had been introduced.

It should be recognised that the tax liability associated with this system may be higher and the alleged simplicity of the tax system is open to question. SARS also claimed that the low uptake could be ascribed to misunderstanding of the legislation.

In Chapter 4, the pre- and post-compliance cost for small business in relation to the turnover tax system will be discussed.

## CHAPTER 4

# BENEFITS AND FACTORS

### 4.1 INTRODUCTION

In the previous chapter, the turnover tax, along with the associated concepts and definitions, was discussed.

In this chapter, the pre- and post-compliance cost for small businesses in relation to the turnover tax system will be discussed. The objective is to determine the extent of compliance costs and the implications of pre-and post- turnover tax compliance for small businesses.

### 4.2 COMPLIANCE COSTS

Sandford, Godwin and Hardwick (1989:10) define compliance cost as the cost incurred by the taxpayer and third parties in meeting the requirements laid down in a tax structure. Compliance cost includes the costs of:

- acquiring sufficient knowledge to be able to meet requirements;
- compiling the necessary documents to complete tax return and the return completion;
- payments to professional persons; and
- incidental costs, i.e. telephone, travel and communication costs.

Turner, Smith and Gurd (1998:96) specify taxpayers' time, unpaid helpers' time, tax agents and incidental costs as categories of compliance cost.

Turner *et al.* (1998:99) maintain that a normal taxpayer simply does not have the time or inclination to understand the taxation laws properly. According to Turner *et al.* (1998:99), taxation laws are complex and most of the general public find them difficult to comprehend. Brochures issued by the revenue authorities, while admittedly from the tax

authority's view, provide the general public with a reasonable overview of the legislation. However, Turner *et al.* (1998:99) indicate that ordinary taxpayers cannot be expected to understand the full implications of taxation and therefore depend on the advice of tax practitioners.

The complexity of tax legislation and the authorities issuing the administration costs to taxpayers are two components of compliance costs (Turner *et al.*, 1998:97). Tax avoidance also contributes to compliance costs. In the effort to curb avoidance, legislation has become more complex, resulting in additional compliance costs. Presumptive taxes are associated with "hard-to-tax" taxpayers, that is, taxpayers avoiding taxation (Wallace, 2002:2). It is clear that the introduction of a presumptive tax system, depending on its complexity level, will have an impact on the cost of compliance.

Turner *et al.* (1998:95) indicate that a rough estimate of taxation compliance cost could be quantified by multiplying the average time taken on an activity by the average rate per hour. This approach could be applied in an environment where the rate per hour is easily determinable. The cost of compliance in this study will be calculated by means of the charge paid to the practitioner for rendering a service. This charge will include the time taken and the rate per hour for the relevant person employed by the tax practitioner.

Determining the compliance cost would be more problematic if the taxpayer himself completed the task. In this case, the taxpayer would be able to indicate the time spent on a specific task. It would not be possible to determine a rate per hour for each micro-business and thus not possible to quantify the value of the time spent on the action.

### **4.3 COMPLIANCE COST PRIOR TO THE TURNOVER TAX SYSTEM**

This study will compare the compliance cost for small businesses with those who have registered as micro-businesses in terms of the turnover tax system. In order to analyse the outcome of the study, the compliance cost for the aspiring micro-businesses has to be determined. FIAS conducted a study in SA that led the National Treasury to introduce the turnover tax.

In this section, the tax compliance cost for potential micro-businesses will be determined with specific reference to the items in the FIAS study. Tax compliance costs associated with small businesses consist of the following taxes and tax components:

- income tax;
- provisional tax;
- VAT;
- employees' tax; and
- general administration, including interest waiver requests, audit interventions, objections and appeals.

#### **4.3.1 Background**

FIAS (2007:143) sent a questionnaire-based survey to tax practitioners to obtain information on their clients. The cost of compliance for most of the points indicated above has been calculated during this study, focussing in particular on taxpayers with a turnover of R14 000 000 or less. In the South African tax structure, businesses with a turnover of R14 000 000 or less are classified as small business corporations.

All tables and figures adapted from the FIAS study will include all income categories. However, for purposes of this study, the focus will be specifically on taxpayers with a turnover of R1 000 000 or less. These taxpayers will be regarded as potential turnover tax taxpayers, as they would in all probability qualify for the turnover tax should they decide to apply for it.

The cost of each component was calculated by multiplying the time taken for a specific task by the cost per hour of the tax practitioner. Although the cost was determined in 2007, three years earlier, no inflation adjustment to the expenses will be made for the purpose of this study.

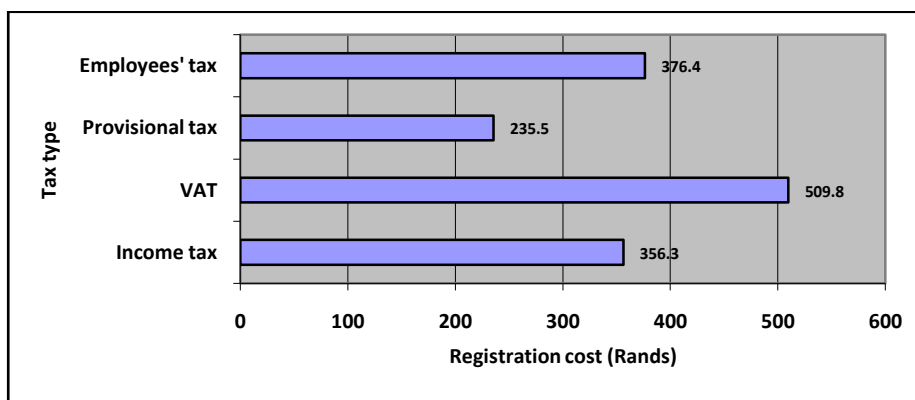
#### **4.3.2 Registration costs**

In South African tax legislation certain requirements must be met in order to comply with the Income Tax Act. Taxpayers are therefore compelled to register for most of the taxes

administered by SARS. FIAS (2007:52) indicates that it took 22,9 to 25 days on average after completing the registration form to receive a registration number and submit the form for the various taxes.

In order for the tax practitioner to submit a registration form for a client, s/he has to spend time preparing the necessary information, completing the registration form and submitting it to SARS. Figure 1 below sets out the cost per tax based on the average time taken for the registration process as set out in Table 7.

**Figure 1: Cost of registration per tax**



Source: FIAS (2007:32)

**Table 7: Average time taken to prepare, complete and submit tax registration forms**

	Average time		
	Total average time	Turnover	
		R1 – R300 000	R6m – R14m
Income tax	2,8	2,73	2,62
Provisional tax	1,6	1,56	1,61
VAT	5,9	5,3	6,04
Employees' tax	2,3	2,21	2,27

Source: FIAS (2007:31)

The amounts set out in Figure 1 are based on the hours set out in Table 7. Table 7 does not indicate the hours for taxpayers with a turnover of R1 000 000 or less. However, there is a slight difference between the time spent registering small taxpayers, i.e. R300 000 or less, and the large group, i.e. R6m – R14m. For this study, the costs indicated in Figure 3

and the hours indicated in Table 7 will be used to quantify the registration cost of the relevant taxes for businesses with a turnover of R1 million or less.

Registering for income tax, provisional tax, VAT and employees' tax takes on average 2,8; 1,6; 5,9 and 2,3 hours at an average cost of R376,40; R235,50; R509,80 and R356,30 respectively.

#### 4.3.3 Preparation, completion and submission of tax returns

Small business have to submit provisional tax returns (first, second and third), employees' tax (monthly), VAT (bi-monthly), an IRP 5 reconciliation (annually) and an annual income tax return. The average time taken to prepare, complete and submit the returns, with the exception of the IRP 5 reconciliation, is set out in Table 8 at a cost set out in Table 9 below:

**Table 8: Average time taken per annum to prepare, complete and submit tax (including IRP 5 reconciliations).**

	Average time taken (hours)					
	R 14m or less Total	Turnover				
		R1m or less Average	R1 – R300 000	R300 001 – R1m	R1m – R6m	R6m – R14m
Income tax	3,07	2,93	2,87	2,99	2,97	2,91
Provisional tax	2,27	2,24	2,22	2,25	2,29	2,22
VAT	18,77	18,72	18,41	19,02	19,40	18,76
Employees' tax	13,93	13,36	13,25	13,47	13,79	13,44
Total time taken (p/a)	38,04	37,25	36,75	37,73	38,44	37,34
IRP 5 Recon*	–	2,69	2,65	2,73	–	–
Total incl. IRP 5 recon		39,94	39,40	40,46		

Source: Adapted FIAS (2007:31)

\* The IRP 5 reconciliation hours for R1m or less were calculated based on the cost multiplied by the factor of hours to complete employees' tax returns over employees' tax cost.

**Table 9: Cost in Rands of preparing, completing and submitting tax returns (including IRP 5 reconciliations) per turnover categories**

	R0 – R300 000	R300 001 – R1m	R1m or less Average	R1m – R6m	R6m – R14m	R14m or less Average
Income tax	723	786	755	844	835	787
Provisional tax	363	389	376	398	416	388
VAT	2 825	2 918	2 872	3 166	3 195	2 975
Employees' tax	2 693	2 866	2 780	2 964	2 672	2 880
Total	6 604	6 959	6 783	7 372	7 118	7 013
IRP 5 Recon	539	580	560	645	600	597
Total incl. IRP 5 recon	7 143	7 539	7 343	8 017	7 718	7 627

Source: Adapted FIAS (2007:38) and FIAS (2007:49)

To prepare, complete and submit the annual income tax return, two provisional tax returns, six VAT bi-monthly returns and twelve employees' tax returns took on average 38,04 hours at a cost of R7 013. However, these figures related to the total population and one for potential micro-businesses would equate on average with 37,25 hours at a cost of R6 783.

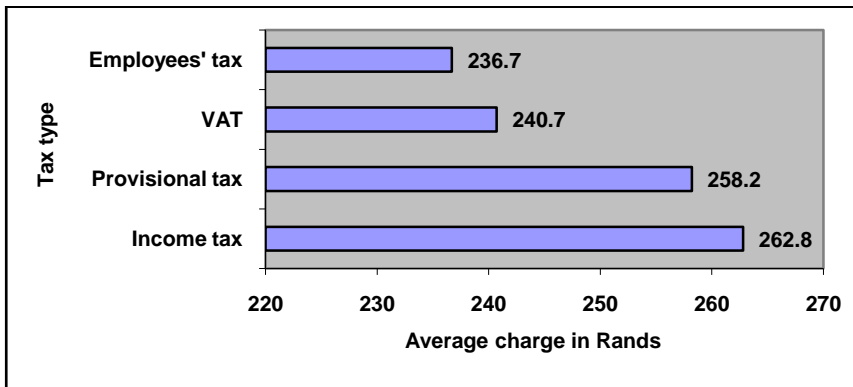
The hours associated with the annual IRP5 reconciliation were not indicated in the FIAS study. However, the cost associated with the IRP 5 reconciliation was provided. Based on the calculation in Table 8, the average time to prepare, complete and submit the IRP 5 reconciliation for taxpayers with a turnover of R1 million or less is 2,69 hours at a cost of R560.

#### **4.3.4 Objections, alternative dispute resolution, interest and penalty waiver requests**

Small business objected following penalties and interest imposed by SARS (FIAS, 2007:46). Various factors contributed to the imposition of interest and penalties. Figure 2 below sets out the average cost per tax practitioner's charge for objections and waiver requests.



**Figure 2: Average charge (Rands) for assisting clients with objections or requesting waiver of interest and penalties**



Source: Adapted from FIAS (2007:46)

An employees' tax, VAT, provisional tax and income tax objection costs R236,70, R240,70, R258,20 and R262,80 respectively.

#### 4.3.5 Accounting cost

A quarter to a third of taxpayers ask their tax practitioners to assist them with their accounting record-keeping (FIAS, 2007:44). In addition, FIAS (2007:45) indicated that the compliance cost appeared higher for small business if compared as a percentage of turnover. On average the accounting cost for taxpayers with a turnover of R1 million or less is R11 836. Table 10 below sets out the cost of these accounting services:

**Table 10: Annual accounting cost per turnover category**

	R0 – R300 000	R300 001 – R1m	R1m or less average	R1m – R6m	R6m – R14m	R14m or less average
Accounting services	11 590	12 082	11 836	13 151	13 489	12 185

Source: Adapted from FIAS (2007:44)

#### 4.3.6 Audits, inspections and written queries from SARS

Although the frequency and vigour of audits by revenue authorities has been an area of great contention, small business has not been one of SARS' major targets when it comes to tax audits in SA (FIAS, 2007:47). Regarding the turnover tax system, SARS' attempt to reduce compliance cost and tax audits defies the principle.

Although FIAS (2007:48) quantified the cost associated with audit intervention, the cost will be excluded from this study as it seems to be a cost that will in all likelihood not be incurred by the taxpayers registered for the turnover tax system.

#### 4.3.7 Summary

Various components influence the compliance cost for small business in SA. The compliance cost, based on the FIAS study of taxpayers with a turnover of R1 million or less, as set out in table 11, has been discussed in this section. These amounts will be used to compare the results from this study, as analysed in Chapter 6, in order to determine whether the turnover tax system has had any effect on the compliance burden of small business.

**Table 11: Compliance cost summary based on FIAS study**

	Cost (Rand)	Time (hours)
Registration		
- Income tax	356,30	2,8
- Provisional tax	235,50	1,6
- Employees' tax	376,40	2,3
- VAT	509,80	5,9
Returns		
- Income tax	755,00	2,93
- Provisional tax	376,00	2,24
- VAT	2 872,00	18,72
- Monthly employees tax returns	2 780,00	13,36
- Annual employees' tax reconciliation	560,00	2,69
Objections		
- Income tax	262,80	–
- Provisional tax	258,20	–
- VAT	240,70	–
- Employees tax	236,70	–
Annual accounting cost	11 836,00	–
Total (excl annual accounting cost)	9 819,40	52,54

## **4.4 COMPLIANCE COST ASSOCIATED WITH THE TURNOVER TAX SYSTEM**

In order to determine the compliance cost associated with the turnover tax system, a detailed analysis of the various components will be conducted. This analysis will focus mainly on the legislative requirements applicable to micro-business owners and its effect on the compliance cost of a registered micro-business owner.

### **4.4.1 Background**

When analysing the compliance cost in the previous section, the cost was arranged in various categories, outlined below:

- registration costs;
- costs of preparation, completion and submission of tax returns;
- costs of objections, alternative dispute resolution, interest and penalty waiver requests;
- accounting costs; and
- costs of audit, inspections and written queries from SARS.

The compliance cost evaluation post turnover tax system will be discussed and deregistration will also be discussed.

### **4.4.2 Registration costs**

To be taxed in terms of the turnover tax system, a person must elect to be registered as shown in paragraph 8 of the Sixth Schedule to the Income Tax Act 58 of 1962. The person who elects to be registered should do so prior to the commencement of the year of assessment or, in the case of a new business, before two months from the commencement date of the business. In terms of the Income Tax Act, the person will be registered for the turnover tax with effect from the beginning of that year of assessment.

The turnover tax application form (TT01) must be completed and submitted to SARS. A normal disclaimer must be signed by the applicant declaring, inter alia, that s/he complies

with the qualification requirements for the turnover tax system. It goes without saying that the applicant must ensure compliance with the various qualification requirements in order to submit the application.

As Stein (2009:1) rightly indicates, the person will be exposed to the technical terms and complex rules that govern turnover tax qualification. They will have to consider qualifying turnover, anti-avoidance rules, impermissible shares, professional services, limit on interest in corporations and limited investment income, to mention but a few items. The person electing to register must give due course.

SARS has broadly advertised this tax and even arranged information sessions and workshops to assist the general public in understanding the turnover tax system and its qualification requirements. SARS also issued a *Tax Guide for Micro Business 2009/10* and a *Frequently Asked Questions* document. The latter contained a quick check as an annexure to help people see whether they met the qualification requirements.

The fact remains that applicants must register for the turnover tax irrespective of whether they consulted a tax practitioner or personally prepared, completed and submitted the turnover tax application form.

The compliance cost of registration for turnover tax will be a new cost for the micro-business. The research questionnaire measured this compliance cost in terms of the time taken for the person to complete the application himself and the cost in rands if the services of a tax practitioner were used.

In contrast to the FIAS study, the cost is based on the actual amount paid for the service by the micro-business owner to the tax practitioner. If the person submitted the application himself, only the time taken will be measured. It would be impossible to determine a cost per hour to determine the value of the time spent by each respondent on completing the application form.

### **4.4.3 Preparation, completion and submission of tax returns costs**

#### **4.4.3.1 *Income tax***

A registered micro-business will still be liable for completing and submitting an annual tax return under the turnover tax system. This return will be used to determine the final turnover tax liability of the micro-business. It will, however, not require financial statements, and the final tax liability will be calculated based on the taxable turnover derived by the micro-business during that year of assessment. At the time the research questionnaire was circulated for this study, the returns were not yet due for submission. This study will therefore not include the cost of completing the tax return. The compliance cost of preparation, completion and submission of the tax return should be included in the cost associated with the turnover tax.

#### **4.4.3.2 *Interim payment***

SARS (2009:3) has indicated that the turnover tax is a substitute for, inter alia, provisional tax. Tax practitioners have publicly expressed their view that, despite SARS' claims, the provisional tax payments are still part of the turnover tax system.

Paragraph 11(1) of the Sixth Schedule to the Income Tax Act states that a first interim payment equal to 50 per cent of tax payable on the estimated taxable turnover should be paid within six calendar months from the first day of the year of assessment. Paragraph 11(4) of the Sixth Schedule to the Income Tax Act states that on the last day of the year of assessment an amount equal to the amount of tax payable on the estimated taxable turnover less the first interim payment must be made to SARS. These two payments are similar to the first and second provisional payments made by normal taxpayers.

Paragraph 11(5) of the Sixth Schedule to the Income Tax Act states that, where the full payment is not received, interest will be levied from the first day after the last day of the preceding year of assessment until the earlier date of the payment received or the due date of the assessment. This paragraph indicates that a third payment can be made prior to assessment to pay the full amount of tax to SARS. This payment is similar to the third provisional tax payment by taxpayers in the normal income tax system.

Paragraph (11) of the Sixth Schedule to the Income Tax Act also contains a penal provision indicating that, if the taxable turnover estimate is less than 80 per cent of the actual turnover for the year of assessment, an additional tax equal to 20 percent of the difference will be raised by SARS. The paragraph also indicates that the estimated taxable turnover cannot be less than the preceding year's taxable turnover, unless the Commissioner, having regard to the circumstances, agrees and accepts the lower estimate. These two requirements are also mirrored in the normal provisional tax system.

The concerns expressed by the tax experts speaking in the press can be understood if paragraph (11) of the Sixth Schedule to the Income Tax Act is analysed. The micro-business owner would still be liable to submit at least two interim payments and also face the possibility of incurring penalties, interest and additional taxes. It seems that the entrenched detail of the act would in all likelihood force a micro-business owner to interact with a tax practitioner to assist with the legal requirements.

The compliance cost of the interim payments for turnover tax is one that the micro-business has to incur. The research questionnaire will measure this compliance cost in the form of time taken if the person completed the interim payment himself and the cost in rands if the person used the services of a tax practitioner.

In contrast to the FIAS study, the cost will be based on the actual amount paid for the service by the micro-business owner to the tax practitioner. If the person submitted the interim payment himself, only the time taken will be measured. It would be impossible to calculate a cost per hour for each respondent to determine the value of the time spent on completing the interim payment

#### **4.4.3.3 VAT**

FIAS (2007:38) indicated that VAT is the highest contributor to compliance cost for small business. Registered micro-businesses will not be able to register as VAT vendors (SARS, 2009:4).

Compliance cost seems to have been significantly reduced by the abolition of the VAT compliance burden, considering that VAT was the highest contributor to compliance cost for the small business owner and required detailed record-keeping.

#### **4.4.3.4 *Employees' tax***

The turnover tax system does not bring the micro-business any relief from payroll taxes (SARS, 2009:3). FIAS (2007:38) indicated that employees' tax was the second highest contributor to small business compliance costs.

The compliance cost of employees' tax for turnover tax is one that the micro-business will have to incur. The research questionnaire will measure this compliance cost in the form of time taken if the person completed the monthly employees' tax returns himself and the cost in rands if the person used the services of a tax practitioner.

In contrast to the FIAS study, the cost will be based on the actual amount paid for the service by the micro-business owner to the tax practitioner. If the person submitted the monthly employees' tax returns himself, only the time taken will be measured. It would be impossible to calculate a cost per hour for each respondent to determine the value of the time spent submitting the monthly employees' tax returns.

#### **4.4.3.5 *IRP 5 reconciliation***

The turnover tax system does not bring the micro-business any relief from payroll taxes (SARS, 2009:3). FIAS (2007:38) indicated that the annual IRP 5 reconciliation was the second lowest contributor to small business compliance costs.

The compliance cost of the annual IRP 5 reconciliation for turnover tax is one that the micro-business has to incur. The research questionnaire will measure this compliance cost in the form of time taken if the person completed the annual IRP 5 reconciliation returns himself and the cost in rands if the person used the services of a tax practitioner.

In contrast to the FIAS study, the cost will be based on the actual amount paid for the service by the micro-business owner to the tax practitioner. If the person submitted the

annual IRP 5 reconciliation himself, only the time taken will be measured. It would be impossible to calculate a cost per hour for each respondent to determine the value of the time spent on submitting the annual IRP 5 reconciliation.

#### **4.4.4 Objections, alternative dispute resolution, interest and penalty waiver requests**

SARS (2009:11) warns micro-businesses that the general administrative provisions, i.e. returns, assessments, dispute resolution, interest and refunds, of the Income Tax Act still apply to them. FIAS (2007:47) indicated that the frequency of provisional tax penalties increased for smaller business and that the most burdensome aspect of the provisional tax was the incorrect raising of interest and penalties by SARS.

The assessment issued by SARS usually reflects the penalty and interest (FIAS, 2007:46). However, penalties and interest cannot be the only contentious issues to which the small business would object. SARS had not issued any assessments to registered micro-business owners at the time of the study, so it will not focus on the compliance cost associated with objecting to an assessment. However, the cost associated with the objection should be incorporated into the compliance cost for the turnover tax system.

It has already been pointed out that the turnover tax system's interim payments are similar to those of normal provisional tax. Paragraph 11(3) of the Sixth Schedule to the Income Tax Act states that, if the first interim payment is late, interest will be charged from the first day after the payment should have been made until the earliest date of payment or date of assessment. Paragraph 11(5) of the Sixth Schedule states that, if the second interim payment is late, interest will also be charged from the first day after the payment should have been made until the earliest date of payment or date of assessment.

Paragraph 11(6) of the Sixth Schedule to the Income Tax Act contains a penal provision that, if the taxable turnover estimate is less than 80 per cent of the actual turnover for the year of assessment, SARS will raise an additional tax equal to 20 percent of the difference. In addition, paragraph 11(7) of the Sixth Schedule indicates that the Commissioner may remit the additional tax if the estimated turnover was not deliberately



or negligently understated and seriously calculated. Any decision by the Commissioner regarding the additional tax is subject to objection and appeal.

Paragraph 11 of the Sixth Schedule contains no provisions enabling the Commissioner to waive any interest. Interest on the late payment of provisional tax can be waived in terms of section 89 of the Income Tax Act. The section was analysed and there was no reference to the Sixth Schedule or interim payments. A closer inspection of section 3 of the Income Tax Act, dealing with general objections and appeals, also found no reference to the Sixth Schedule of the Income Tax Act. This has far-reaching implications. The turnover tax system does not allow a micro business to request waiver of interest on the late payment of interim payments.

Owing to the technical nature of the interest as discussed above, the research questionnaire will measure the occurrence of late payments as well as the awareness on the part of micro-business owners of any penalties and interest.

Although it seems that the main contributor to this compliance cost is not applicable to micro-businesses, its effect on the tax liability of the business and the total amount of tax paid to SARS has to be determined. It is a matter for concern that an area where SARS is regularly erroneous is not subject to objection or appeal. Once again, it should be noted that at the time this study was conducted, the 2010 returns had not yet been submitted.

#### **4.4.5 Accounting costs**

SARS (2009:3) reduced the cost of record-keeping by prohibiting registered micro-business owners from being VAT vendors. FIAS (2007:40) acknowledges the difficulty of obtaining a reliable estimate of taxation cost as a result of the split between tax and actual accounting cost.

Section 30(1) of the Companies Act 71 of 2008 states that annual financial statements must be prepared by the company. In addition section, 29(1) of the Companies Act states that the company should keep accounting records. When a company registers as a micro-business in terms of the Income Tax Act, that company is still required to keep accounting

records and prepare annual financial statements, even though it is not required to do so in terms of the Income Tax Act.

According to section 58(1) of the Close Corporations Act 69 of 1984, the annual financial statements should be prepared by the close corporation. In addition, section 56(1) of the Close Corporations Act states that the close corporation should keep accounting records. The same reasoning applicable to companies will also apply to close corporations. Where a close corporation registers as a micro-business in terms of the Income Tax Act, that close corporation will still be required to keep accounting records and prepare annual financial statements, even though this is not required in terms of the Income Tax Act.

A company or close corporation registered for the turnover tax system will still have to produce financial statements as required in terms of section 30(1) of the Companies Act and section 58(1) of the Close Corporations Act. Although registered micro-businesses have to keep only specific accounting records in terms of the Income Tax Act, similar relief was not granted in the companies or close corporation legislation.

The division between accounting and taxation costs paradoxically so interconnects them that it seems almost impossible to separate the cost. Even though the turnover tax does not require detailed record-keeping, as in the past, it cannot necessarily be concluded that a registered micro-business would, in fact, reduce its compliance cost. It seems that in the case of non-incorporated taxpayers, substantial cost-saving may be achieved.

It should be noted that the required records must be kept by the registered micro-business, which will affect the normal compliance cost for the taxpayer. The research questionnaire will measure this compliance cost in the form of time taken if the person kept the required accounting records himself and the cost in rands if he used the services of a tax practitioner.

In contrast to the FIAS study, the cost will be based on the actual amount paid for the service by the micro-business owner to the tax practitioner. If the person kept the required accounting records himself, only the time taken will be measured. It would be impossible to determine a cost per hour for each respondent to determine the value of the time spent keeping the required accounting records.

#### **4.4.6 Audit, inspections and written queries from SARS**

Small businesses are not a major target for SARS, who seem to focus on larger businesses when it comes to audits (FIAS. 2007:47). With the introduction of the turnover tax, the first year of assessment will end on 28 February 2010.

At present no returns have to be submitted, so the possibility of any audit, inspection or written queries from SARS is unlikely. This component of the compliance cost will therefore not be measurable in this study.

#### **4.4.7 Deregistration cost**

As a result of the turnover tax system, a direct compliance cost comes from the VAT deregistration. SARS (2009:5) warns aspirant micro-businesses about the usual exit output VAT payable on the assets held prior to deregistration.

In terms of section 8(2C) of the Value-Added Tax Act 89 of 1991, where a VAT vendor deregisters from VAT, the output VAT payable in terms of section 8(2) will be payable in six instalments. Section 10(5A) of the Value-Added Tax Act states that the amount resulting from the assets on which the output tax will be based will be reduced by R100 000 before the calculation of the output tax.

SARS (2009:5) indicated that the reduction of R100 000 equates to a saving of R12 281 in the exit VAT payable as a result of deregistration. In addition, SARS (2009:5) informs that once a person who has received the reduction upon exiting the VAT re-enters the VAT system, that person will not be able to claim the input tax for the first R100 000 of assets in possession at that time. The exit output VAT should not be regarded as compliance cost originating from the turnover tax system itself.

The cost of complying with VAT deregistration for turnover tax is one that the micro-business has to bear. The research questionnaire will only the cost in rands if the person

used the services of a tax practitioner. The questionnaire will investigate the number of instalments paid and the cost of the exit output VAT.

In contrast to the FIAS study, the cost will be based on the actual amount paid for the service by the micro-business owner to the tax practitioner.

#### **4.4.8 SARS systems**

Stein (2009:2) raised the question of whether the SARS systems would be able to handle the turnover tax. Makwakwa (2010) confirmed that the turnover tax was not supported by the relevant information technology infrastructure which meant that the turnover tax system would be handled manually.

Van Zyl (2010) also confirmed that the turnover tax taxpayers would use the normal income tax numbers and the provisional system would be used to entertain the interim payments. Van Zyl (2010) indicated that the annual tax return (TT03) would be available on the internet in November 2010 and was due for submission by 31 January 2011. SARS would issue local assessments and the amounts in the provisional tax system would be consolidated. Where taxpayers were taxed under both the tax systems, i.e. the normal and turnover tax system, the assessments would be combined manually.

Van Zyl (2010) indicated that where interim payments were refunded to the taxpayers, special consideration would be given and no penalties and interest would be raised.

The TT03 can only be submitted manually and there are no e-filing options. Normal taxpayers will find it difficult to adhere to the legislative requirements if SARS' systems are not in order. Because of the manual process at SARS, micro-business owners will not be aware of the various administrative issues lurking there.

#### **4.5 GENERAL RESPONSES TO THE TURNOVER TAX SYSTEM**

The turnover tax system met mixed reactions in the market place. Most of the opinions came from tax practitioners expressing their concern and disappointment with certain aspects of the tax.

To evaluate the general attitude of micro-business owners to the tax system, the research questionnaire incorporated a section with scaling questions to test the attitude to test this out.

## **4.6 CONCLUSION**

In this chapter, the compliance cost was discussed with particular focus on the pre- and post-turnover tax compliance cost for small businesses in SA from the tax perspective.

Pre-turnover tax compliance costs consist of the costs of registration, returns submission and submission of objections. All these components relate to income tax, provisional tax, employees' tax and VAT. Compliance cost also includes annual accounting costs and the annual employees' tax reconciliation.

Post-turnover tax compliance costs consist of costs of registration (turnover tax and employees' tax), returns submission (turnover tax, interim tax payments, employees' tax) submission of objections (turnover tax, interim tax payments and employees' tax), record-keeping, VAT deregistration and the annual employees' tax reconciliation.

Certain compliance components appear to have changed and additional compliance components have emerged from the newly-introduced turnover tax system. Some of the components could not be measured at the time of this study, necessitating future research.

In Chapter 5, the questionnaire used to collate the research data for this study will be discussed.

## CHAPTER 5

### QUESTIONNAIRE

#### 5.1 INTRODUCTION

In the previous chapter the compliance cost was discussed with particular focus on pre- and post-turnover tax compliance cost for small businesses in SA from the tax perspective.

This chapter describes the overall research design and sampling applicable to this exploratory study and the questionnaire used to collate the necessary data.

#### 5.2 DESCRIPTION OF INQUIRY STRATEGY AND BROAD RESEARCH DESIGN

Quantitative data was collected by an internet-based questionnaire. Quantitative data is any numeric data or data that has been quantified (Saunders, Lewis & Thornhill, 2007:608). Saunders *et al.*, 2007:145 indicate that quantitative data is a synonym for data collection techniques, such as questionnaires or data analysis procedures that generate numeric data.

#### 5.3 SAMPLING

##### 5.3.1 Target population and units of analysis

The target population consists of all micro-businesses registered at SARS for the turnover tax during the 2010 year of assessment as at 30 June 2010. Only micro-businesses can register for turnover tax in terms of tax legislation. Units of analysis refer to the entities about which the researcher wishes to draw conclusions (Terre Blanche & Durheim, quoted in Kotze, 2009:22). In this study, data pertaining to the compliance cost for micro-businesses will be collected from the registered micro-businesses. The micro-business is therefore the unit of analysis in this study.

### 5.3.2 Sampling method and sampling size

The detailed data base for all the taxpayers registered for the turnover tax was obtained from SARS. The data base held 8138 registered turnover tax taxpayers. It included taxpayers that who had registered for the 2011 tax year along with various duplications. In terms of legislation, only micro-businesses, irrespective of the legal form in which they trade, can register for the turnover tax.

Saunders *et al.* (2007:358) suggest that larger samples should be selected for internet-based surveys, which are likely to have a response rate of 11% or lower. Fewer screens would be more feasible for the length of the questionnaire (Saunders *et al.*, 2007:358); and the suitable characteristic of the population is that they are computer-literate individuals who can be collected by e-mail (Saunders *et al.*, 2007:358).

These taxpayers are all micro-businesses, and, considering the sensitivity of any personal tax matters, a low response rate was anticipated. The length of the questionnaire and the information requested would also contribute to the anticipated low response. In addition, the latter would also result in a higher dropout rate for respondents who decided to participate without completing the questionnaire on account of its length and numerous details.

All taxpayers who had e-mail addresses and who were registered for the 2010 tax year were selected from the data basis. The sample consisted of 2731 potential micro-businesses with e-mail addresses. Unfortunately, the data base contained numerous data-capturing errors, especially in the e-mail field. Obvious errors were rectified.

Rather than drawing a sample, it was decided to distribute the questionnaire to the 2731 micro-businesses.

## 5.4 DATA COLLECTION

### 5.4.1 Survey method

An internet-based questionnaire was selected to collect the data. Questionnaires are extremely efficient when standard questions are interpreted in the same way by all respondents (Robson, quoted in Saunders *et al.*, 2007:356). Questionnaires can be used for collecting primary information (Saunders *et al.*, 2007:354) and exploratory research (Saunders *et al.*, 2007:138), as well as for collecting quantitative data (Saunders *et al.*, 2007:138) and providing the researcher with more control over the research (Saunders *et al.*, 2007:138).

An example of the questionnaire is included in Appendix A.

### 5.4.2 Measurement

Self-administered questionnaires are likely to have a low response rate (Saunders *et al.*, 2007:359). In order to enhance the response rate, the questionnaire was made available in Afrikaans or English and searching questions were introduced to reduce the number of applicable questions by removing those that were irrelevant or repetitive.

The questionnaire was also discussed with Ms Rina Owen, a research consultant for the Faculty of Economic and Business Sciences at the University of Pretoria. Special care was taken to ensure that the respondent could not be identified in responses to the questions posed.

The questionnaire (attached as Appendix A) consists of the following main areas of focus:

- general information;
- registration;
- deregistration;
- monthly returns;
- bi-annual returns;
- annual returns; and



- other information.

The principles applied in each of these areas were as follows:

- a probing question was asked to identify whether a particular section applied to the respondent;
- based on the answer above, a second probing question was asked on whether the respondent used the services of a tax practitioner to assist with that particular section;
- when the response to the second question was affirmative, questions were asked as to the cost, based on the amount paid to the practitioner. If the response was negative, the surveys reverted to the questions determining the time spent on the specific task; and
- rating scale questions will be used to collect opinion data (Saunders *et al.*, 2007:372). Likert-style rating questions were posed in which respondents are asked to indicate to what extent they agreed or disagreed with a specific statement (Saunders *et al.*, 2007:372). These questions refer only to the general and other information sections.

#### **5.4.2.1 General information**

This section consists of parts A, B and C. Part A consists of nine questions gathering general information. Part B consists of Likert-style questions relating to the SARS workshops held to explain the concept of turnover tax to the public. Part C consists of four statements asking for information on the SARS office of registration as well as the industry in which the business was operating.

#### **5.4.2.2 Registration: Turnover tax**

This section consists of parts A, B and C. Part A is a probing question on the registration for turnover tax. If a business had used a practitioner to register for the turnover tax, Part B had to be answered to determine the costs associated with this service. Part C had to be answered if the business owner himself had registered for the turnover tax in order to determine the time spent on this action.

### **5.4.2.3 Registration: Employees' tax**

This section consists of parts A, B and C. Part A is a probing question on the registration for employees' tax. If a business had used the services of a practitioner to register for the employees' tax, Part B had to be answered to determine the costs associated with the service. Part C had to be answered if the business owner had registered for the employees' tax, in order to determine the time spent on this. In the likely event of the business not being registered or already being registered for employees' tax, parts B and C of this section could be ignored.

### **5.4.2.4 Deregistration: VAT**

This section consists of parts A, B, C, D and E. Part A is a probing question to determine whether the business had had to deregister for VAT purposes. If a business had had to deregister, part B questioned about this to determine whether the services of a tax practitioner had been used. Part C obtains the costs to the business of the practitioner's service. Part D inquires whether the business had to pay exit VAT as a result of deregistration. Part E ascertains the amount that had to be paid to SARS, as well as the number of instalments.

### **5.4.2.5 Turnover tax interim payments**

This section consists of parts A, B, C, D and E. Part A is a probing question to determine whether the services of a tax practitioner had been used for both interim payments, whether the business had made both interim payments themselves or whether a practitioner had been used for one interim payment, while the other interim payment had been self-calculated by the business.

Part B obtains the cost of each interim payment by the tax practitioner for submitting the relevant interim payment. No additional questions were asked in this section to establish any late payments or penalty and interest, as it is assumed that practitioners are acquainted with the penal clauses and requirements of the Act.

Part C establishes the time spent by the business on completing and submitting each interim payment. Because of the technical nature of interim payments, additional questions were asked to determine whether the business had correctly calculated the amount and that it had been paid on time. Respondents were asked to indicate which of the specific requirements had been included in their calculation of the taxable turnover.

Part D is a combination of parts B and C. The question asks for which interim payment the services of a tax practitioner had been used and which payment the business had decided to calculate themselves. The questions applicable to each payment have already been discussed in parts B and C above.

Part E ascertains the amount paid for the first and second interim payments as well as the business's final tax liability. In addition, the business owner is asked whether the estimate is within 80 per cent of the actual turnover of the company. This question determines whether additional tax on the business applied, despite the owner's being unaware that this would be so. The business owner is also asked whether the business was aware of any interest and penalties

#### **5.4.2.6 EMP 201 monthly return**

This section consists of parts A, B and C. Part A is a probing question on the EMP201 monthly return. If a business had used the services of a practitioner to submit the monthly return, Part B had to be answered to establish the cost. If the business owner had submitted the monthly EMP201 return, part C had to be answered to ascertain the time spent on this specific action. In the event of the business not having been registered or having already been registered for employees' tax, parts B and C of this section could be ignored, as well as parts A, B and C of the EMP5011 employees' tax reconciliation section.

#### **5.4.2.7 EMP 501 employees tax reconciliation**

This section consists of parts A, B and C. Part A is the probing question on the EMP501 reconciliation. If a business had used a practitioner to submit the annual reconciliation, Part B had to be answered to determine the practitioner's costs. If the business owner had

submitted the annual reconciliation, Part C had to be answered to determine the time spent doing this.

#### **5.4.2.8 Record-keeping**

This section consists of parts A, B, C and D. Part A is a probing question determining which of the required records had been kept and whether the services of a tax practitioner had been used for this. If a business had used a practitioner to maintain the required records, Part B had to be answered to determine the costs of the service of the tax practitioner. Part C establishes how regularly the required records were updated. Part D establishes the hours spent by the business on maintaining the required records themselves.

#### **5.4.2.9 Other information**

This section consists of three Likert-style questions in which the respondents were asked to indicate the extent to which they agreed or disagreed with specific statements. This section establishes the general perception by the businesses of the turnover tax system. The negative reactions by tax practitioners have already been discussed and this section investigates whether their opinions are shared by the micro-businesses owners.

### **5.5 DATA ANALYSIS**

Internet-based questionnaires automate data input (Saunders *et al.*, 2007:386). The internet research provider uses 128-bit SSL encryption and data is stored on their computer system. The data responses are downloaded in Excel format from the service provider.

All data in this questionnaire was coded and a numerical value was assigned to each field. Using Excel, data will be cross-tabulated and the English and Afrikaans surveys will be combined.

## 5.6 CONCLUSION

In this chapter the sampling method and the questionnaire used to collect the data for this empirical exploratory study were discussed.

The questionnaire consists of various sections and probing questions were asked to reduce the number of questions put to the respondents.

In Chapter 6, the data collected by means of this questionnaire will be analysed and discussed.

## CHAPTER 6

### ANALYSIS OF RESULTS

#### 6.1 INTRODUCTION

In the previous chapter, the sampling method and questionnaire used to collect the data for this study were discussed.

This chapter sets out the analysis and interpretation of the findings based on the compliance cost questionnaire that was run among registered micro-businesses in SA from 20 September 2010 to 31 October 2010.

In order to calculate the results of this study, the weighted average of the mid-points of each offered category will be used. In the last category, i.e. the open-ended category, the amounts indicated in the response will be used. The actual amounts for that category will be included in the calculation of the weighted average. For example, where the respondent selected more than R901 and indicated R1 500, R1 500 will be included in the weighted average calculation.

#### 6.2 PROFILE OF THE RESPONDENTS

Figure 3 below clearly indicates that a large number (35%) of respondents are registered at a SARS office in Gauteng. Each of the provinces in SA had at least 3% representation and all the major cities in SA were represented in this study. Gauteng, Limpopo, the Eastern Cape and the Western Cape comprised 70 % of the respondents.

Prior to the introduction of the turnover tax system, the majority (73%) of these businesses had made use of a tax practitioner to handle their tax affairs. With the introduction of the turnover tax system, the respondents using tax practitioners were reduced to 42,7%. It seems that, in this population, the turnover had the effect of 30,3% of micro-business owners moving away from their tax practitioners.

**Figure 3: Province in which the SARS office of registration is situated**

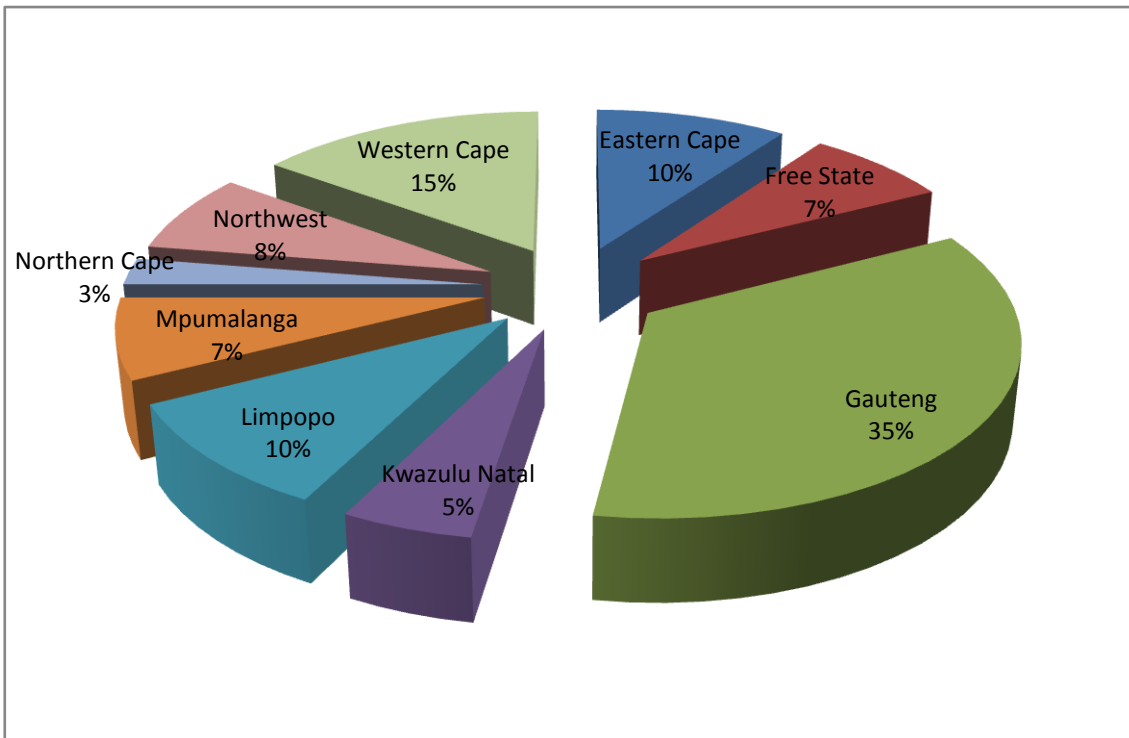
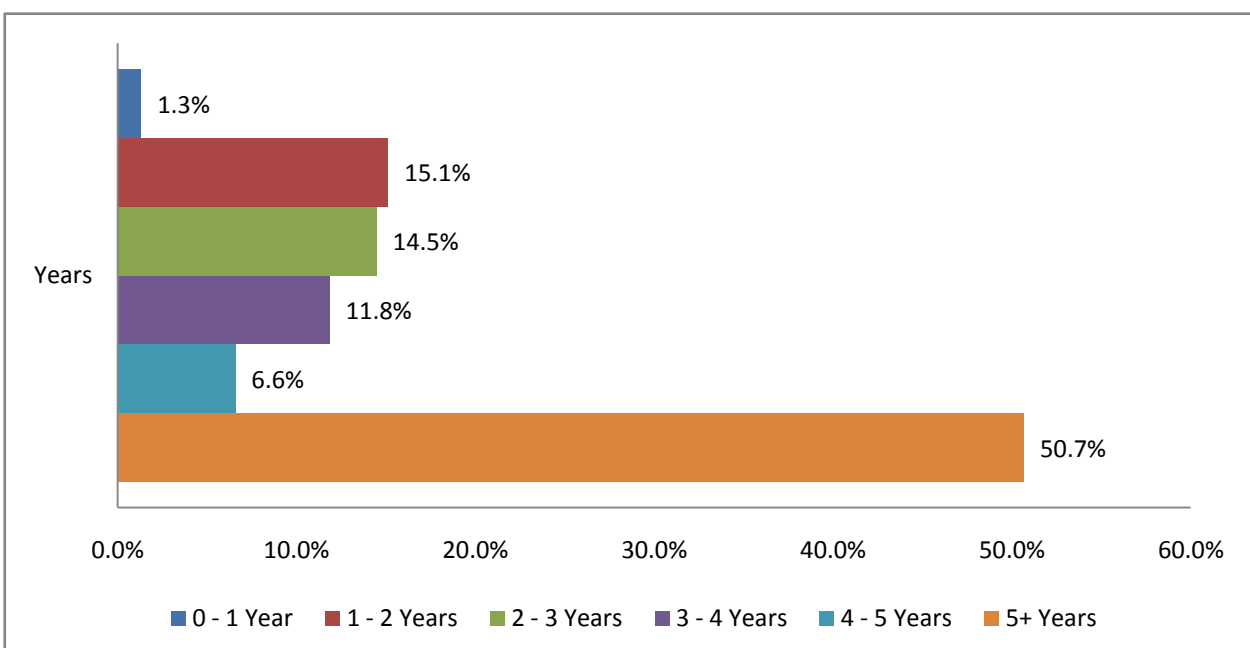


Figure 4 below indicates that the majority (50,7%) of the micro-businesses have been trading for more than five years. Interestingly, only 1,3% of the respondents started trading during the year and 6,6% had been trading for 4 to 5 years. The remaining 41,4 % had been trading for 2 to 4 years.

**Figure 4: Years of business trading**



As indicated in figure 5 below, most of the respondents to this survey conduct their businesses as sole proprietor or a close corporation. Only 3% conduct their business in the form of a company and 4% as a partnership. The data gathered in this study may therefore be biased, as most of the respondents were trading as sole proprietors or close corporations. No co-operatives responded to this questionnaire and it seems that the turnover tax system is most popular among the sole proprietors and close corporations. The low response by companies is understandable owing to the statutory requirements associated with this legal form.

**Figure 5: Legal form of micro-businesses**

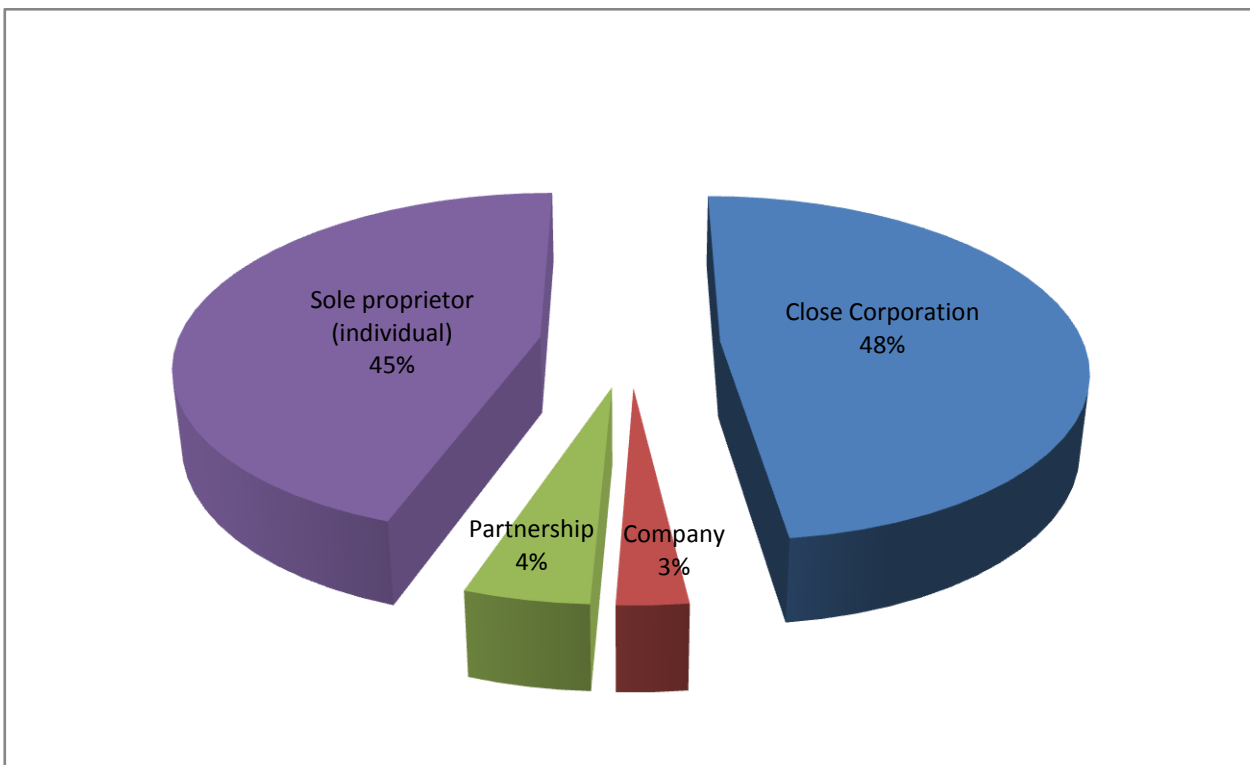
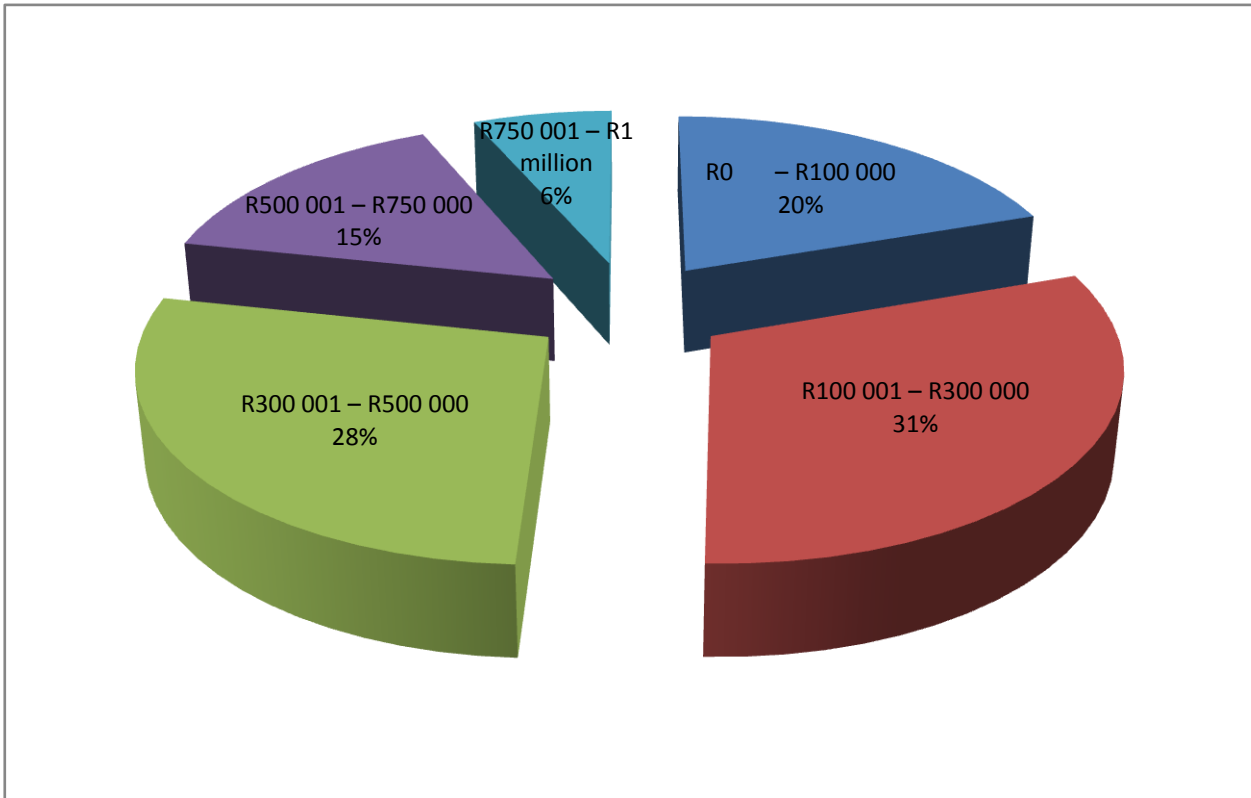


Figure 6 below indicates the percentage of micro-businesses within the statutory income brackets for the micro-businesses. The number of micro-businesses within the categories decreases as the income increases. Respondents indicated that 31% of micro-businesses had a turnover of R100 000 – R300 000, 28 % had a turnover of R300 000 – R500 000 and 15% had a turnover of R500 000 – R750 000. One reason for the decrease in the higher brackets is that these businesses are more sophisticated when it comes to systems and would do better if they made use of the small business corporation legislation. As



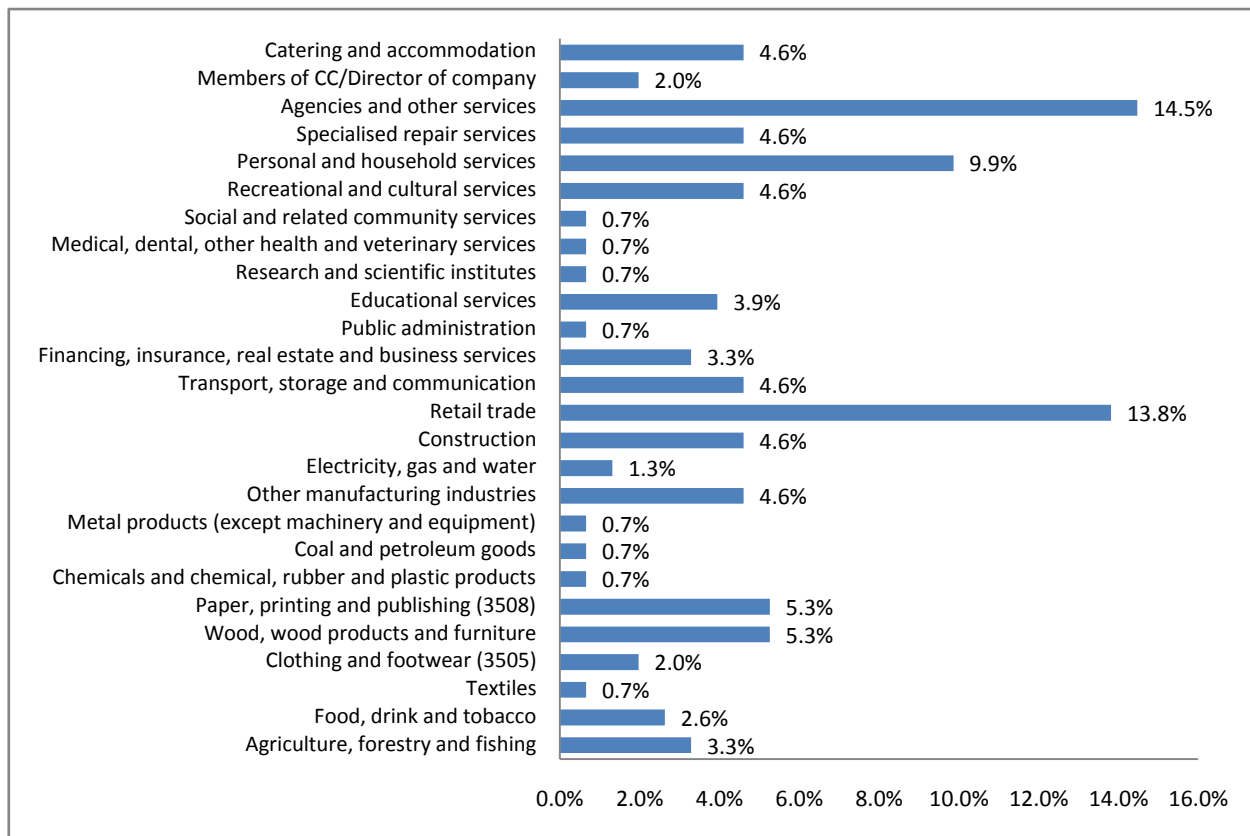
discussed earlier in this study, legislation was written to encourage the taxpayers away from the informal presumptive tax system into the formal normal tax system. The representation in terms of this category is acceptable and no bias exists.

**Figure 6: Taxable turnover of micro-businesses**



The questionnaire sent to the respondents contained as an option the main activity field of all the registered micro-businesses in the population. The respondents indicated their main activity, shown in Figure 7 below, where it can be seen that a wide range of main activities was selected. However, it seems that the most common among the micro-business owners were agencies and other services, retail trade and personal and household services. The various activities below represent a fair proportion of the South African economy and there is no indication of possible bias towards a specific trade.

**Figure 7: Main activities of the micro-businesses**



### 6.3 GENERAL PERCEPTION OF THE TURNOVER TAX SYSTEM

The general perception of the turnover tax by the micro-business owners was tested and the respondents had to rate various statements set out in the questionnaire.

With the exception of the 5,25% who indicated that a statement was not applicable, 94,75% of the respondents rated the statement: "It saved my business some rands in tax". Of this 94,75%, 5,55% strongly disagreed, 7,64% disagreed, 16,67% were unsure, 29,17% agreed and 40,97% strongly agreed. On average, the respondents agreed with this statement, indicating that the business owners thought that the turnover tax system had saved some tax payment for their business.

With the exception of the 2,63% who indicated it was not applicable, 97,37% of the respondents rated the statement: "TT is so complex to understand that it is hardly worth the effort to save just a few rands of tax". Of this 97,37%, 40,54% strongly disagreed, 29,05% disagreed, 18,92% were unsure, 6,76% agreed and 4,73% strongly agreed. On

average, the respondents disagreed with this statement, indicating that they thought the turnover tax system was not too complex and was worth the effort for their business.

With the exception of the 34,87% who indicated it was not applicable, 65,13% of the respondents rated the statement: “I feel that I was well advised by my accountant about the benefit(s) that the TT could have for my business”. Of this 65,13%, 25,25% strongly disagreed, 11,11% disagreed, 18,18% were unsure, 17,17% agreed and 28,28% strongly agreed. On average, the respondents were unsure about this statement, indicating that they had not received the advice they had anticipated from their accountants.

With the exception of the 24,34% who indicated it was not applicable, 75,66% of the respondents rated the statement: “Accountants have a self-interested incentive to push you to not use the TT concession”. Of this 75,66%, 20,87% strongly disagreed, 18,26% disagreed, 19,13% were unsure, 28,70% agreed and 13,04% strongly agreed. On average, the respondents were unsure about accountants’ self-interested incentives regarding the turnover tax system.

With the exception of the 2,63% who indicated it was not applicable, 97,37% of the respondents rated the statement: “Overall, I feel that the TT is a waste of time for everybody, and that we would be better off with lower tax rates and a simpler tax system”. Of this 97,37%, 36,49% strongly disagreed, 26,35% disagreed, 16,89% were unsure, 10,14% agreed and 10,14% strongly agreed. On average, the respondents did not fully disagree with this statement and there was still some degree of uncertainty attached to the overall view of the turnover tax system.

Respondents rated the statement: “How useful do you think the Turnover tax system has been in reducing the tax compliance burden for your business?” 6,57% indicated that the system was not useful at all, 7,24% indicated not very useful, 15,79% were unsure, 23,03% indicated moderately useful and 47,37% indicated very useful. On average, the respondents were of the opinion that the turnover tax system was moderately useful in reducing their compliance burden.

Respondents rated the statement: “How complex is the Turnover tax system for your business to comply with?” 36,18% indicated that it was not complex at all, 34,21%

indicated not very complex, 12,50% were unsure, 14,47% indicated moderate complexity and 2,63% indicated very complex. On average, the respondents were of view that the turnover tax system was not particularly complex.

#### **6.4 GENERAL PERCEPTION OF THE SARS TURNOVER TAX WORKSHOPS**

The general perception by the micro-business owners of the SARS turnover tax workshops was tested and the respondents had to rate various statements made in the questionnaire.

Only 14,5% of participants had attended one of the workshops held by SARS to explain the turnover tax system.

Respondents rated the statement: “The workshop enabled me to understand the new Turnover tax in detail”. Of these respondents 9,09% strongly disagreed, 18,18% disagreed, 4,55% were unsure, 45,45% agreed and 22,73% strongly agreed. On average, the respondents were of view that the SARS workshop had enabled them to understand the new turnover tax in detail.

Respondents rated the statement: “SARS’ assistance exceeded my expectations”. Of these respondents 13,64% strongly disagreed, 13,64% disagreed, 9,09% were unsure, 50% agreed and 13,64% strongly agreed. On average, the respondents were uncertain whether SARS’ assistance had exceeded their expectations.

Of the respondents who rated the statement: “I could make an informed decision as a result of attending the workshop”, 22,73% strongly disagreed, 4,55% disagreed, 9,09% were unsure, 40,91% agreed and 22,73% strongly agreed. On average, the respondents agreed that they could make informed decisions as a result of attending the workshop.

Respondents rated the statement: “I am of opinion that the SARS workshop was a great success”. Of these respondents 9,09% strongly disagreed, 13,64% disagreed, 9,09% were unsure, 50% agreed and 18,18% strongly agreed. On average, the respondents were not sure whether the SARS workshop had been a great success.

## 6.5 COMPLIANCE COST

The data collected from the questionnaire was analysed with reference to the components identified in the FIAS study and is set out below.

### 6.5.1 Registration

This study focuses on the registration cost incurred by micro-businesses. Table 12 below indicates the time and cost associated with the registration for turnover tax and employees' tax and will be discussed separately below.

**Table 12: Registration cost and duration per taxable turnover category**

	Taxable turnover					Total / average
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	
<b>Turnover tax registration</b>						
<b>Registered by a tax practitioner</b>						
Respondents	6	14	17	5	5	47
Average amount paid (Rand)	233,33	163,33	332,35	180,00	210,00	203,13
<b>Registered by micro-business owner</b>						
Respondents	18	25	22	12	4	105
Average time to register (hours: minutes)	2:37	3:16	2:34	3:23	4:18	2:34
<b>Employees' tax registration</b>						
<b>Registered by a tax practitioner</b>						
Respondents	2	1	2	4	1	10
Average amount paid (Rand)	200,00	850,00	700,00	225,00	250,00	421,43
<b>Registered by micro-business owner</b>						
Respondents	2	9	4	3	1	19
Average time to register (hours: minutes)	2:00	2:06	1:15	0:30	0:30	1:42

### **6.5.1.1 Turnover tax**

All the respondents in this study had to register for the turnover tax in terms of the legislation. The indication was that 30,9% of micro-business owners used the services of a tax practitioner and the remaining 69,1% registered themselves for the turnover tax system.

Micro-business owners paid on average R203,13 to register and those who registered themselves spent, on average, 2 hours 34 minutes doing so. If the time taken and amount paid are compared to those of provisional tax in the FIAS study, it can be seen that it took the micro-business owners longer to complete and submit the registration application.

One reason for this increase is that practitioners are aware of and familiar with the requirements of the registration process. Unlike the practitioner, the micro-business owner has to research the topic and understand its requirements even if it is not in line with his or her personal trade. The time spent on reading and ascertaining what to do may be a reason for the increased time.

Regarding the expense associated with the registration, the cost of R235,50 was higher in 2007 than determined in this study, taking into account the inflation adjustment that has to be made to accommodate the 4-year time difference. Although the options in this study differ from those of the FIAS study, the amounts are compared only to indicate whether the associated cost or time did in fact decrease.

### **6.5.1.2 Employees' tax**

The respondents indicated that 48,7% were not registered for employees' tax, 32,2% were already registered as an employer and 19,1% registered during the year. Of these 19,1% micro-businesses, 6,6 % related to businesses that used a tax practitioner to register and 12,5% registered for employees' tax themselves.

The respondents who used tax practitioners to register for employees' tax paid, on average, R421,43 for the service. The respondents who registered for the turnover tax

themselves spent on average 1 hour 42 minutes completing and submitting the registration application.

In the FIAS study conducted in 2007, tax practitioners charged on average R376,40 for the registration. In comparison to this amount, the R421,43 seems less if one takes into account the inflation adjustment that has to be made to accommodate the 4-year time difference.

In comparison with the FIAS study, respondents who registered for employees' tax took less time than the 2,3 hours spent in this study. No explanation for this reduction in time can be given, so further investigation and research are required.

## **6.5.2 Cost of preparation, completion and submission of tax returns**

This study focused only on the preparation, completion and submission of the bi-annual interim payments, monthly employees' tax returns and the annual employees' tax reconciliation. Since 2010, employers have had to submit a half-yearly reconciliation, which was not included in this study. Each of the points focused on here will be discussed in detail below.

### **6.5.2.1 *Interim payments***

Micro-businesses indicated that 29,6% of them used tax practitioners to complete and submit their interim payments, as set out in Table 13. They paid on average R517,71 to submit the first interim payment and R417,02 for the second interim payment. Looking more closely at the amount per income category, the charge decreases as the income of the micro-business increases, with the exception of the R100 000 – R300 000 income category. There is no explanation for the greater amount paid by this category.

In comparison to the FIAS study, it seems that the cost of this service drastically increases from R389,00 to R934,12, even if an inflation adjustment is made to accommodate the 4-year time difference. One reason for this increase might be that the tax practitioner had to

calculate the taxable turnover of the micro-business from scratch, and that more time and effort were taken in the process.

Micro-businesses indicated that 63,2% decided to prepare, complete and submit the interim payments themselves, as set out in Table 12. They spent on average 1 hour 6 minutes on the first interim payment and 1 hour 46 minutes on the second interim payment. In total, these micro-businesses spent, on average, 2 hours 52 minutes per annum on completing the two interim payments. On closer investigation of the taxable turnover categories, the cost per annum increased as the taxable turnover of the micro-businesses increased, with the exception of the R100 000 – R300 000 income category. There is no explanation for the increase in time for this category.

In comparison with the FIAS study, micro-businesses who decided to prepare, complete and submit their own interim payments took slightly longer than the 2,27 hours.

A small percentage (7,2%) of micro-businesses did not submit any interim payments to SARS. The reason for this failure to do so remains unanswered.

**Table 13: Interim payment completion and submission cost and duration per taxable turnover category**

	Taxable turnover					Total / average
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	
<b>1<sup>st</sup> Interim payment</b>						
<b>Completed and submitted by a tax practitioner</b>						
Respondents	6	16	12	7	4	45
Average amount paid (Rand) per month	278,57	1 073,53	219,23	200,00	100,00	517,71
<b>Completed and submitted by micro-business owner</b>						
Respondents	20	29	27	16	4	96
Average time to complete and submit (hours: minutes) per month	1:01	1:14	0:57	1:00	1:45	1:06
<b>Not completed or submitted</b>						
Respondents	4	2	3	0	2	11
<b>2<sup>nd</sup> Interim payment</b>						



<b>Completed and submitted by a tax practitioner</b>						
Respondents	7	15	12	7	4	44
Average amount paid (Rand)	271,43	770,59	219,23	200,00	116,67	417,02
<b>Completed and submitted by the micro-business owner</b>						
Respondents	18	27	28	16	6	
Average time to complete and submit (hours: minutes) per month	1:30	1:57	1:40	1:54	2:04	1:46
<b>Not completed or submitted</b>						
Respondents	5	4	2	0	0	11
<b>Total (1<sup>st</sup> and 2<sup>nd</sup> interim payment)</b>						
Amount paid (Rand) per month	550,00	1 844,12	438,46	400,00	216,67	934,12
Time to complete and submit (hours: minutes) per month	2:31	3:11	2:37	2:54	3:49	2:52

### **6.5.2.2 Monthly employees' tax (EMP201)**

Micro-businesses indicated that 43,1% of those who are registered as employers used the services of tax practitioners, as set out in Table 14, to submit the monthly EMP 201 to SARS. These micro-businesses paid on average R2 880,00 per annum for the submission of the 12 EMP201 returns. When the cost per taxable turnover category was analysed, it seems that the cost decreased as the taxable turnover of the micro-business increased, with the exception of the first two categories. The greater amount paid by the first category and the slightly lower amount paid by the R100 000 – R300 000 category cannot be explained.

This cost in comparison with the FIAS study is exactly the same. It should be taken into account that if the amount is adjusted for inflation during the 4-year time period difference, the cost to the micro-business owners had slightly decreased.

The remaining 56,9% of micro-businesses prepared, completed and submitted the EMP201 themselves. These micro-businesses took, on average, 19 hours during the year to submit the twelve returns. On closer examination of the time taken per taxable turnover

category, with the exception of the R100 000 – R300 000 and R500 000 – R750 000 categories, the time spent on this activity increased as the turnover increased.

The 19 hours spent on this activity in comparison with the FIAS study's 13,93 hours is higher. One reason for this increase could be that the micro-businesses are not that familiar with the calculations required and the process that determines the employees' tax liability.

**Table 14: Monthly employees' tax returns completion and submission cost and duration per taxable turnover category**

	Taxable turnover					
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	Total / average
<b>Employees' tax return (EMP201)</b>						
<b>Completed and submitted by a tax practitioner</b>						
Respondents	3	3	8	7	4	25
Average amount paid (Rand) per month	783,33	116,67	187,5	171,43	150,00	240,00
Average amount paid (Rand) per annum	9 400,00	1 400,00	2 250,00	2 057,14	1 800,00	2 880,00
<b>Completed and submitted by micro-business owner</b>						
Respondents	4	7	10	8	4	33
Average time to register (hours: minutes) per month	1:18	1:04	1:30	1:07	4:00	1:35
Average time to register (hours: minutes) per annum	15:36	12:48	18:00	13:24	48:00	19:00

### **6.5.2.3 Annual employees' tax reconciliation (EMP 501)**

Micro-businesses indicated that the 53,4% who are registered as employers, as set out in Table 15, used the services of tax practitioners to submit the annual EMP 501 reconciliation to SARS. These micro-businesses paid, on average, R438,52 per annum for the submission of the EMP501 reconciliation. When the cost is analysed per taxable

turnover category, it seems that the cost decreases as the taxable turnover of the micro-business increases, with the exception of the R100 000 – R300 000 category.

In comparison with the FIAS study, this is a reduced cost. In the FIAS study (2007), it cost, on average, R597 to prepare the EMP501 reconciliation as compared to the average cost of R438,52. It should be taken into account that if the amount is adjusted for the inflation during the 4-year time period difference, the cost for the micro-business owners has decreased.

The remaining 46,6% of micro-businesses prepared, completed and submitted the EMP501 themselves. These micro-businesses took on average 2 hours 39 minutes during the year to submit the reconciliation. On closer examination of the time taken per taxable turnover category, with the exception of the R100 000 – R300 000 category, the time spent on this activity increased as the turnover increased. A possible explanation for this increase might be that the number of employees increased as the turnover increased.

The time spent on the EMP501 reconciliation by tax practitioners was not indicated in the FIAS study, so no comparison can be made.

**Table 15: Annual employees' tax reconciliation completion and submission cost and duration per taxable turnover category**

	Taxable turnover					
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	Total / average
<b>Employees' tax reconciliation (EMP501)</b>						
<b>Completed and submitted by a tax practitioner</b>						
Respondents	2	4	9	8	4	27
Average amount paid (Rand)	1 025,00	375,00	510,00	350,00	225,00	438,52
<b>Completed and submitted by micro-business owner</b>						
Respondents	5	6	9	7	4	31
Average time to register (hours: minutes)	2:06	1:30	2:10	3:12	5:15	2:39

### **6.5.3 Record-keeping**

The turnover tax system required specific basic record-keeping for registered micro-businesses in order to reduce the compliance cost for the micro-business. 21,7% of respondents used tax practitioners to keep the required records.

Micro-businesses indicated that 5,3% did not keep the amounts received record as required in terms of the legislation. As discussed under the profile of respondents, almost 45 % traded as sole proprietor. 61,2% of the respondents indicated that they did not keep the required dividends declared record. The population of this study is comprised of 48 % close corporations and 3% companies, which means that 10,2 % of the respondents who did not keep the dividends record should have done so. No record should be kept if no dividends were paid.

The respondents indicated that 36,2% did not keep the record for required assets with a cost of R10 000 and more, and 34,9% did not keep the required record for liabilities of R10 000 and more. Taking into account that 50,7% of respondents had a taxable turnover of R300 000 and less, the percentage of respondents not keeping the record seems realistic, as most of these business would in all likelihood not have assets and liabilities in excess of R10 000.

#### **6.5.3.1 Frequency**

If the weighted average of the frequency of all required records is calculated, 36,3% of respondents did not keep certain of the required records. 6,1% maintained the required records daily, 7,4% weekly, 20,4% monthly, 5,7% quarterly, 12,8% half-yearly and the remaining 11,3% annually. No specific pattern can be identified from the data collected on the frequency of record maintenance.

#### **6.5.3.2 Average amount paid for required records**

Respondents indicated whether the amount paid was a once-off payment, monthly or annually paid to a practitioner to maintain the required records. Respondents who

indicated the monthly amount for this service paid, on average, R450 per month. This corresponds to an annual amount of R5 400 based on twelve months.

Respondents who indicated that an annual amount was paid for this service, paid on average R1 880, while those who paid a once-off amount paid R2 044,44 on average. There is little to choose between the two amounts.

No explanation for the difference between the monthly and annual amount can be formulated based on the information in this study. A possible reason for the difference might be the inclusion of a retainer in the amount paid to the practitioner for the service rendered.

### **6.5.3.3 *Time spent keeping and maintaining the required records***

Table 16 below sets out the time spent per taxable turnover category on maintaining the required records. The record-keeping section, part D of the questionnaire clearly indicated that the total time for the activity over the twelve months period should be indicated. Based on the information submitted by respondents, it seems that this question was interpreted incorrectly.

On average, all respondents spent 9 hours 6 minutes per annum maintaining all the required records. This might be true for a business with a turnover of R100 000 or less, but it seems questionable if there is a turnover in excess of R500 000. Micro-businesses with a turnover of R750 000 – R1 million spent on average 7 hours 35 minutes, and businesses with a turnover of R500 000 – R750 000 spent 11 hours 20 minutes maintaining all the records per annum.

The amounts received during the yearly record take up more time than any of the other required records. On average, 3 hours 33 minutes were spent on keeping this record up-to-date. The record is probably the most important, as all the interim payments will be based on this record to substantiate the taxable turnover.

The dividend declared and assets in excess of R10 000 take the least time to maintain. The dividend record is applicable only to close corporations and companies. Almost half of

the respondents are trading as sole proprietors and therefore do not need to maintain the record, as not all of these businesses have assets in excess of R10 000.

Regarding the required liability record, 2 hours 16 minutes are spent on average maintaining it. It seems that more businesses may have liabilities in excess of R10 000 rather than assets of R10 000.

**Table 16: Total time spent on keeping the required records as required for micro-businesses**

	Taxable turnover					Total / average
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	
Respondents	24	42	32	15	6	119
Time (hours: minutes) to maintain the required records per annum						
Amounts received during the year	3:25	4:22	3:07	2:31	3:35	3:33
Dividends declared	3:06	0:40	1:02	2:30	2:30	1:39
Assets with a cost of R10 000 or more	1:06	1:55	1:13	2:53	1:00	1:38
Assets with a cost of R10 000 or more	1:47	2:27	2:16	3:26	0:30	2:16
Total time	9:24	9:24	7:38	11:20	7:35	9:06

#### **6.5.4 Objections, alternative dispute resolution, interest and penalty waiver requests**

At the time of this study, SARS had not issued any assessments or interest and penalty notifications to the registered micro-businesses. The questionnaire was designed to identify certain factors that may lead to objections, alternative dispute resolutions and interest and penalty waiver requests.

Micro-businesses indicated that 4,6% were aware of additional tax that was levied despite the fact that SARS' systems were not ready to accommodate the turnover tax system. In addition, 12,5% of the respondents indicated that they were aware of interest and penalties being raised. SARS used the normal provisional tax system to accommodate the

turnover tax interim payments. These payments are similar, so respondents received notification when interest and penalties were raised.

The respondents indicated that 38,8% had not read the SARS publication *Frequently asked Questions*, and the majority, 53,9%, had not read the SARS publication *Tax Guide for Micro Business*. These publications were meant to assist the micro-business owner in understanding the various terms and calculating the relevant information needed in terms of this legislation. Based on this statistic, the expensive help of an adviser will be needed in future when these owners are confronted by SARS in an audit intervention.

The identified factors, influencing objections, alternative dispute resolution, interest and penalty waiver requests are discussed below.

#### **6.5.4.1 Accuracy of taxable turnover calculation**

Interim payments are based on the taxable turnover of the micro-business, which entails specific inclusions and exclusions. Respondents were asked to indicate which of the specific items had been taken into account in determining their businesses' taxable turnover.

Regarding the specific inclusions of taxable turnover, 8,5% of respondents who had not used a tax practitioner to submit their interim payments did not include 50% of the proceeds of assets disposed in their calculation. 10,4% of these respondents also failed to include investment income in the calculation. In addition, 21,7% of these respondents failed to include the add-back of allowances from the previous year of assessment in their calculations.

Regarding the specific exclusions, 7,5% of the respondents as discussed above, did not exclude investment income for individuals from their calculation. 6,6% indicated that they had not excluded the government grants from their calculation. 14,2% of these respondents had not excluded from their calculation income that had accrued in previous tax years and was received during this tax year. Lastly, 15,1% of respondents had not excluded salary income from their calculation.

#### **6.5.4.2 Payment of interim payments**

Of the respondents who calculated and submitted their interim payment themselves, 49,1% either paid the first interim payment after 31 August 2009 or did not pay any interim payment at all. Regarding the second interim payment payable on 28 February 2010, 40,6% either paid the second interim payment after the payment date or did not pay any amount at all.

#### **6.5.4.3 Additional tax as a result of under-estimation of taxable turnover**

The respondents indicated that 5,9% underestimated the taxable income by 20% or more. This indicates that these registered micro-businesses will incur an additional tax expense based on the under-estimation of the amount. In future, the assistance of a tax practitioner will in all likelihood be needed to assist with the additional tax request waiver.

#### **6.5.5 Deregistration cost**

Prior to the introduction of the turnover tax system, all businesses with a turnover in excess of R300 000 were compelled to register for VAT. Although 48,6% of the respondents had a turnover in excess of the said limit, only 36,8% deregistered from VAT in order to register as a micro-business. The respondents indicated that 12,5% who deregistered for VAT were voluntary registrations, i.e. the threshold is below R300 000. Taxpayers are not always aware of all the legislative requirements, which could explain why 24,1% were not registered for VAT.

The number of respondents who deregistered from VAT is set out in Table 17. Of the 56 respondents, 41 deregistered from VAT themselves and the remaining 15 used the services of a tax practitioner for this purpose. On average this cost the micro-business R170,00.

As a result of the VAT deregistration as indicated in Table 16, 7 respondents had to pay an exit VAT amount. One of the respondents indicated that SARS did not indicate the amount and the respondent is still awaiting an answer. For the purpose of determining the average



amount paid by these micro-businesses, the relevant respondent was omitted. It seems that the respondents paid on average R2 156,92 of exit VAT as a result of the turnover tax registration.

Owing to the limited number of micro-businesses who had to pay the exit VAT, no conclusions based on the income category can be made.

**Table 17: VAT deregistration cost per taxable turnover category**

	Taxable turnover					
	R0 – R100 000	R100 000 – R300 000	R300 000 – R500 000	R500 000 – R750 000	R750 000 – R1 million	Total / average
<b>VAT deregistration</b>						
<b>Deregistered by a tax practitioner</b>						
Respondents	2	2	7	3	1	15
Average amount paid (Rand)	50,00	50,00	207,14	283,33	50,00	170,00
<b>Deregistered by micro-business owner</b>						
Respondents	8	7	11	8	7	41
<b>Exit VAT paid as a result of registration</b>						
Respondents	0	1	4	2	0	7
Average exit Vat amount paid (Rand)	0,00	5 000,00	1 442,50	1 807,00	0,00	2 156,92

## 6.6 CONCLUSION

All the compliance costs associated with the registered micro-business were discussed in this chapter. Respondents indicated that 30,3% stopped using the services of tax practitioners as a result of the turnover tax system. No value is determinable for the objections, alternative dispute resolution, additional tax and interest and penalties. At the time of this study, no information could be obtained on the submission of the annual tax return applicable to registered micro-businesses. The total average cost and time taken will be calculated without this component.

Respondents also indicated a more positive attitude to the turnover tax system. This positive attitude is in contrast with that of the tax practitioners who had aired their views in public.

Table 18 below summarises the average costs and time taken by micro-businesses to register for the turnover tax system as well as the cost of complying with the legislation. The total cost paid during the year by the respondents depends on the cost attached to the record-keeping requirement, which was calculated on a once-off, annual or annualised monthly payment. The cost of compliance for registered micro-businesses was R6 927,20 (annual), R7 091,20 (once off) or R10 447,2 (annualised monthly payment). Micro-businesses that did not use a tax practitioner spent 37 hours 53 minutes on complying with the legislation.

**Table 18: Compliance cost summary of average costs and average time taken**

	Cost (Rand)	Time (hours : minutes)
Registration		
- Turnover tax	203,13	2:34
- Employees' tax	421,43	1:42
Returns		
- Monthly employees tax returns	2 880,00	19:00
- Annual employees' tax reconciliation	438,52	2:39
Interim payments	934,12	2:52
VAT deregistration	170,00	-
Recordkeeping		9:06
- Annual amount	1 880,00	
- Once-off amount	2 044,00	
- Monthly payment annualised	5 400,00	
Total costs / time taken		37:53
- Annual amount	6 927,20	
- Once-off amount	7 091,20	
- Monthly payment annualised	10 447,20	

Table 19 below compares the compliance cost associated with the turnover tax system with the similar cost as determined in the 2007 FIAS study. The cost of the interim

payments compared to the provisional payments of the FIAS study is substantially higher. The total annual amount paid as determined in this study is lower than the same total determined in the FIAS study. This indicates that the compliance cost in general seems to have decreased, if the annual amount is considered for record-keeping. Where respondents paid once-off or monthly amounts for record-keeping, the compliance cost under the turnover tax system is higher.

The total time of the FIAS study (52,54) includes the time taken to register for VAT and income tax. These registrations are not applicable under the turnover tax system. However, the total time is compared to the time taken for the compliance components after turnover tax (37:53) and it seems that the time spent on compliance decreased.

**Table 19: Comparison of results with the 2007 FIAS study**

	Cost (Rand)	Time (hours : minutes)	Cost (Rand)	Time (hours)
			FIAS Study 2007	
Registration				
- Turnover tax / Income tax	203,13	2:34	356,30	2,8
- Provisional tax	–	–	235,50	1,6
- Employees' tax	421,43	1:42	376,40	2,3
- VAT	–	–	509,80	5,9
Returns				
- Turnover tax / Income tax	Not determined	Not determined	755,00	2,93
- Interim payments / Provisional tax	934,12	2:52	376,00	2,24
- VAT	–	–	2 872,00	18,72
- Monthly employees' tax returns	2 880,00	19:00	2 780,00	13,36
- Annual employees' tax reconciliation	438,52	2:39	560,00	2,69
VAT deregistration	170,00	–	–	–
Recordkeeping		9:06	–	–
- Annual amount	1 880,00		–	–
- Once-off amount	2 044,00		–	–
- Monthly payment annualised	5 400,00		–	–
Total costs / time taken (excl. annual accounting cost)		37:53		52,54
- Annual amount	6 927,20		9 819,40	

- Once-off amount	7 091,20			
- Monthly payment annualised	10 447,20			
Annual accounting cost	–	–	11 836,00	–

In Chapter 7 this study will be concluded.

## CHAPTER 7

### CONCLUSION

#### 7.1 INTRODUCTION

The compliance costs associated with registered micro-businesses were discussed in the previous chapter.

The main purpose of this study was to determine the extent to which the introduction of the presumptive turnover tax system influenced and reduced the tax compliance cost for micro-businesses in SA.

The objectives of this study were:

- to determine what should be included under the term “compliance cost” before the implementation of presumptive tax, as discussed in Chapter 4.3. Compliance costs consist of registration costs, returns submissions and objections. All these components relate to income tax, provisional tax, employees’ tax and VAT. Compliance cost also includes annual accounting costs and the annual employees’ tax reconciliation;
- to determine what should be included under the term “compliance cost” after the implementation of presumptive tax, as discussed in Chapter 4.4. Post-turnover tax compliance components consist of registration costs (turnover tax and employees’ tax), returns (turnover tax, interim tax payments, employees’ tax) and objections (turnover tax, interim tax payments and employees’ tax), record-keeping costs, VAT deregistration costs and the annual employees’ tax reconciliation; and
- to determine and compare the compliance cost for micro-businesses before and after the implementation of presumptive tax in order to determine whether the compliance costs increased or decreased as a result of the introduction of presumptive turnover tax, as discussed in Chapter 6. If the annual amount is considered for record-keeping, the compliance cost in general seems to have been reduced.

## 7.2 SUMMARY OF FINDINGS

The following findings on the effectiveness of the reduction of compliance cost brought about by the turnover tax system emerged from this study:

- pre-turnover tax compliance costs, as discussed in Chapter 4, consist of registration costs, returns submission and objections. All these components relate to income tax, provisional tax, employees' tax and VAT. Compliance cost also includes annual accounting costs and the annual employees' tax reconciliation.
- post-turnover tax compliance, as discussed in Chapter 4, consists of registration costs (turnover tax and employees' tax), returns (turnover tax, interim tax payments, employees' tax) and objections (turnover tax, interim tax payments and employees' tax), record-keeping costs, VAT deregistration costs and the annual employees' tax reconciliation.
- the general perspective on the turnover tax system and the attitude of registered micro-business owners to it, as discussed in Chapter 6.3, was more positive than that in the comments made in the public domain by tax practitioners. In general the micro-business owners indicated that the turnover tax system was not difficult to understand and, in their opinion, it reduced taxation of their businesses.
- micro-business owners are moving away from using tax practitioners' services to actively completing and submitting their own tax returns and taking responsibility for this. The main objective of the turnover tax system is to reduce the tax compliance cost for micro-businesses and it seems that the turnover tax system did have a positive effect on micro-businesses, where 30,3% moved away from costly tax practitioner services as indicated in Chapter 6.1 and 6.6.
- the compliance cost for micro-business has remained more or less the same since the FIAS study in 2007, as discussed in Chapter 6. Although certain aspects of compliance costs were excluded from this study, the turnover tax system had an impact on the compliance cost for micro-business. It is interesting to note that,

although a period of four years has passed since the FIAS study, the costs determined in this study, with exception of the interim payments, remained in line with the initial FIAS study. In addition, the time spent on compliance pre- and post-turnover tax has decreased from 52,54 hours to 37 hours 53 minutes.

### **7.3 SUGGESTIONS FOR FUTURE RESEARCH**

In Chapter 6.5.4 of this study it was indicated that certain of the risks identified may lead to potential interest and penalties for the micro-business owner.

Despite the technicalities of legislation and the complexity of taxation in general, accuracy on the part of the micro-business owner needs further research. It is not clear how accurate and serious the micro-business calculation of the interim payments would be if the micro-business owner did not consult a tax practitioner. The general accuracy when it comes to tax compliance by these businesses could also be a focal point in future. In addition, at the time of this study the returns had not yet been submitted to SARS and no audit-based compliance cost information could be obtained.

This study sets the stage for additional research in respect of the micro-business turnover tax system in SA. This study could not determine whether the reduction in the compliance cost outweighed the additional tax that may be paid by these businesses under the turnover tax system. This correlation between the actual tax paid and the compliance cost saving needs additional research from the South African perspective.

In Chapter 6 and summarised in 6.6, the time spent on tax compliance by micro-businesses was determined and discussed. However, the cost of the time spent was not determined and future research could be carried out to determine whether the cost of the time spent by the micro-businesses is less than that spent on the associated service charge by a tax practitioner.

## 7.4 CONCLUSION

The compliance costs associated with the turnover tax have been identified and discussed in this study. Micro-business owners indicated a positive attitude to the turnover system despite the negative attitude expressed by tax practitioners in the market place.

The introduction of the turnover tax system had an impact on the compliance cost for micro-businesses and as a result the owners began to move away from the costly services of tax practitioners to actively taking control of their tax affairs and making their own submissions. Certain components of the compliance cost for micro-businesses were reduced and the turnover tax system contributed to compliance cost reduction.



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## **APPENDIX A**

**- Final questionnaire used to collect the data for the study -**



## **Introduction and Informed Consent for participation in academic research**

### **Department of Taxation**

### **Turnover Tax: Is it too good to be true for micro-business in South Africa? An exploratory study**

Research conducted by:  
Mr. B Lindeque (95105256)  
Cell: 082 928 2272

Dear Respondent

You are invited to participate in an academic research study conducted by Bennie Lindeque, Masters degree student from the Department of Taxation at the University of Pretoria.

The purpose of the study is to explore whether the introduced Turnover Tax System has reduced the tax compliance cost for micro-business in South Africa.

Please note the following:

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 20 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my study leader, Prof M Cronje, at 083 655 4006, or at [dspc@rvd.dorea.co.za](mailto:dspc@rvd.dorea.co.za), if you have any questions or comments regarding the study.

By clicking on the survey link below, you indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

[Micro-business Compliance Cost Survey](#)

**General Information (Part A)**

1. What is the legal form in which your micro business conducts its business?

- Close Corporation
- Company
- Co-operative
- Partnership
- Sole proprietor (individual)

2. How long has the business been trading?

- 0 - 1 Year
- 1 - 2 Years
- 2 - 3 Years
- 3 - 4 Years
- 4 - 5 Years
- 5+ Years

3. If your business was trading prior to the introduction of the Turnover tax system, were you registered for the following taxes (please select all applicable blocks)?

	Yes	No
Income tax	<input type="checkbox"/>	<input type="checkbox"/>
Provisional tax	<input type="checkbox"/>	<input type="checkbox"/>
Employees' tax	<input type="checkbox"/>	<input type="checkbox"/>
Value-added tax	<input type="checkbox"/>	<input type="checkbox"/>

4. If your business was trading prior to the introduction of the Turnover tax system, which of the following tax systems were you using?

	Yes	No
Normal income tax system.	<input type="checkbox"/>	<input type="checkbox"/>
Section 12E Small business corporation tax system.	<input type="checkbox"/>	<input type="checkbox"/>
Small retailers VAT package.	<input type="checkbox"/>	<input type="checkbox"/>

5. Prior to registering for the Turnover tax, did you make use of a tax practitioner to handle your tax affairs for you?

The following should be taken into account when answering this question and all other references to questions that refer to your tax practitioner:

- A tax practitioner can be any person that you trust with your tax and/or your micro business' tax affairs to act on your behalf and liaise directly with SARS, like your accountant, bookkeeper, tax specialist, attorney etc.
- Where you liaise directly with SARS, SARS cannot be seen as a tax practitioner.

- Yes
- No
- Partly

6. Do you make use of a tax practitioner to handle your tax affairs for you after you have registered for the Turnover tax?

- Yes
- No

7. Where did you hear about the Turnover tax for micro businesses?

- Internet
- Newspapers
- Radio

- SARS
- Your tax practitioner / Accountant
- Other (please specify)

8. Which of the following documents have you read on the SARS internet page (please select all applicable blocks)?

	Yes	No
Frequently asked questions	<input type="checkbox"/>	<input type="checkbox"/>
Tax Guide For Micro Business Turnover Tax	<input type="checkbox"/>	<input type="checkbox"/>
Application Form (TT01) and Completion Guide	<input type="checkbox"/>	<input type="checkbox"/>

9. Did you attend any of the SARS workshops held to introduce the new Turnover tax and to assist the public in understanding the new tax system available for micro business?

- Yes
- No

If answered "Yes", go to general information part B.

If answered "No", go to general information part C.

### General Information (Part B)

10. Please rate the following statement regarding the SARS workshop.

	Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	N/A / Not relevant
The workshop enabled me to understand the new Turnover tax in detail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SARS' assistance exceeded my expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I could make an informed decision as a result of attending the workshop.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am of opinion that the SARS workshop was a great success.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### General Information (Part C)

11. Are you familiar with the various Turnover tax definitions and concepts as indicated below (please select all applicable blocks)?

	Yes	No
Dividends	<input type="checkbox"/>	<input type="checkbox"/>
Interim payment	<input type="checkbox"/>	<input type="checkbox"/>
Investment income	<input type="checkbox"/>	<input type="checkbox"/>
Professional service	<input type="checkbox"/>	<input type="checkbox"/>
Qualifying turnover	<input type="checkbox"/>	<input type="checkbox"/>
Taxable turnover	<input type="checkbox"/>	<input type="checkbox"/>
Year of assessment	<input type="checkbox"/>	<input type="checkbox"/>

12. What was your 'taxable turnover' for the 2010 year of assessment? (2010 Year of assessment = 1 March 2009 - 28 Feb 2010)

The Turnover Tax rates are applied to "taxable turnover" in a year of assessment. "Taxable turnover" is the amount, not of a capital nature, that is received (i.e. cash basis) from conducting business activities in the Republic, with specific inclusions (i.e. 50% of capital proceeds, investment income, certain tax



allowances granted in the previous year) and exclusions (i.e. individual investment income, Government grants, previous year's taxed amounts and salary income by individual).

- R 0 – R 100,000
- R 100,001 – R 300,000
- R 300,001 – R 500,000
- R 500,001 – R 750,000
- R 750,001 – R 1,000,000
- R 1,000,000 and more

13. Please indicate at which SARS office you are registered.

- Alberton
- Beaufort West
- Bellville
- Benoni
- Bloemfontein
- Boksburg
- Brakpan
- Cape Town
- Durban
- East London
- George
- Germiston
- Giyani
- Johannesburg
- Kimberley
- Klerksdorp
- Kroonstad
- Krugersdorp
- Lebowakgomo
- Mmabatho
- Mthatha
- Nelspruit
- Nigel
- Paarl
- Pietermaritzburg
- Polokwane
- Port Elizabeth
- Pretoria
- Randfontein
- Roodepoort
- Rustenburg
- Sibasa
- Springs
- Standerton
- Uitenhage
- Vereeniging
- Welkom
- Witbank
- Worcester
- Other (please specify)

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14. Please select the main income source of your business.

- Agencies and other services (3534)
- Agriculture, forestry and fishing (3501)
- Bricks, ceramics, glass, cement and similar products (3511)

- Catering and accommodation (3523)
- Chemicals and chemical, rubber and plastic products (3509)
- Clothing and footwear (3505)
- Coal and petroleum goods (3510)
- Construction (3520)
- Educational services (3527)
- Electricity, gas and water (3519)
- Financing, insurance, real estate and business services (3525)
- Food, drink and tobacco (3503)
- Leather, leather goods and fur (excluding footwear and clothing) (3506)
- Machinery and related items (3514)
- Medical, dental, other health and veterinary services (3529)
- Members of CC/Director of company (3535)
- Metal (3512)
- Metal products (except machinery and equipment) (3513)
- Mining, stone and quarrying work (3502)
- Other manufacturing industries (3518)
- Paper, printing and publishing (3508)
- Personal and household services (3532)
- Public administration (3526)
- Recreational and cultural services (3531)
- Research and scientific institutes (3528)
- Retail trade (3522)
- Scientific, optical and similar equipment (3517)
- Social and related community services (3530)
- Specialised repair services (3533)
- Textiles (3504)
- Transport equipment (except vehicle, part and accessories) (3516)
- Transport, storage and communication (3524)
- Vehicle, parts and accessories (3515)
- Wholesale trade (3521)
- Wood, wood products and furniture (3507)

#### Registration: Turnover Tax (Part A)

15. Did you make use of a tax practitioner to register yourself or your business for the Turnover tax system?

- Yes
- No

If answered "Yes", go to "Registration: Turnover Tax (Part B)".

If answered "No", go to "Registration: Turnover Tax (Part C)".

#### Registration: Turnover Tax (Part B)

16. What did you pay your tax practitioner for the registration?

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

Go to "Registration: Employees' Tax (Part A)".

### Registration: Turnover Tax (Part C)

17. How long did it take you (including all staff time spent on this activity) to complete, prepare and submit the Turnover tax application form (TT01)?

The following should be taken into account when answering this question:

- Time taken to collect/retrieve the form.
- Time taken to judge the relevance of all the sections of the form.
- Time taken to collect the information to fill in the form.
- Time taken to complete the form.
- Time taken to submit the form.
- Time taken to copy/record the form.

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- More than 8 hours (please specify)

---

### Registration: Employees' Tax (Part A)

18. Did you make use of a tax practitioner to register for the employees' tax during the year of assessment if you were not already registered?

If you did not registered, please select "Not registered"

If you were already registered for employees' tax, please select "Already registered" below.

- Yes
- No
- Not registered
- Already registered

*If answered "Yes", go to "Registration: Employees' Tax (Part B)".*

*If answered "No", go to "Registration: Employees' Tax (Part C)".*

*If answered "Not registered" or "Already registered", go to "Deregistration: Value-added Tax (Part A)".*

### Registration: Employees' Tax (Part B)

19. Please indicate what the practitioner charged for registering you as an employer at SARS.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

Go to “Deregistration: Value-added Tax (Part A)”.

**Registration: Employees’ Tax (Part C)**

20. Please indicate how long it took you to complete the necessary procedures, prepare and submit all the necessary forms in order to register for employees’ tax.

The following should be taken into account when answering this question:

- Time taken to collect/retrieve the EMP 101 form for registration.
- Time taken to complete and submit the EMP 101.
- Time taken to copy/record the EMP 101.

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

---

**Deregistration: Value-added Tax (Part A)**

21. Did you deregister for Value-added tax as a result of your Turnover tax registration?

- Yes
- No

*If answered “Yes”, go to “Deregistration: Value-added Tax (Part B)”.*

*If answered “No”, go to “Turnover Tax Interim Payments (Part A)”.*

**Deregistration: Value-added Tax (Part B)**

22. Did your tax practitioner assist you with the VAT deregistration when you registered for Turnover tax?

- Yes
- No

*If answered “Yes”, go to “Deregistration: Value-added Tax (Part C)”.*

*If answered “No”, go to “Deregistration: Value-added Tax (Part D)”.*

**Deregistration: Value-added Tax (Part C)**

23. What did you pay your tax practitioner for the deregistration assistance?

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700

- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

**Deregistration: Value-added Tax (Part D)**

24. Did your VAT deregistration result in the making of any payments on assets in your business' possession at the day of deregistration?

- Yes
- No

*If answered "Yes", go to "Deregistration: Value-added Tax (Part E)".  
If answered "No", go to "Turnover Tax Interim Payments (Part A)".*

**Deregistration: Value-added Tax (Part E)**

25. What amount of Value-added tax was paid to SARS as a result of the deregistration?

---

26. In how many instalments did you pay the amount to SARS?

- 1 Instalment
- 2 Instalments
- 3 Instalments
- 4 Instalments
- 5 Instalments
- 6 Instalments
- More than 6 Instalments (please specify)

---

**Turnover Tax Interim Payments (Part A)**

27. Did you make use of a tax practitioner to calculate your interim payments that need to be paid to SARS?

- Yes (both interim payments calculated by tax practitioner)
- No (own calculation of both interim payments)
- Both (one interim payment self calculated and the other by a tax practitioner)

*If answered "Yes", Go to "Turnover Tax Interim Payments (Part B)".  
If answered "No", go to "Turnover Tax Interim Payments (Part C)".  
If answered "Both", go to "Turnover Tax Interim Payments (Part D)".*

**Turnover Tax Interim Payments (Part B)**

28. For which interim payment did you use the assistance of a tax practitioner?

	Yes	No
1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	<input type="checkbox"/>	<input type="checkbox"/>

29. Please indicate how much you paid your tax practitioner for submitting your 1st Interim payment to SARS.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

30. Please indicate how much you paid your tax practitioner for submitting your 2nd Interim payment to SARS.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

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Go to “Turnover Tax Interim Payments (Part E)”.

**Turnover Tax Interim Payments (Part C)**

31. Which interim period did you calculate yourself?

	Yes	No
1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	<input type="checkbox"/>	<input type="checkbox"/>

32. Please indicate the time you spent calculating, completing and submitting the 1st interim payment to SARS.

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

--

33. Please indicate the time you spent calculating, completing and submitting the 2nd interim payment to SARS.

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

--

34. Were the interim payments to SARS paid on time?

	Yes	No
1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	<input type="checkbox"/>	<input type="checkbox"/>

35. Please provide the date of payment of the interim payments.

Please use the following format: (DD/MM/YYYY).

If the amount is still not paid, please type ("Not paid") in the applicable field.

1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	

36. In estimating your 'taxable turnover' for the year, which of the following items were included in your calculations?

	Yes	No	N/A
50% of the Proceeds on disposal of capital assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment income received.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Previous year allowances added back.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

37. In estimating your 'taxable turnover' for the year, which of the following items were excluded from your calculations?

	Yes	No	N/A
Investment income received (only applicable to individuals).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government grants that are exempt from tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Income that accrued to your business and subject to tax prior to register for the Turnover tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salary income (only applicable to individuals).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Go to "Turnover Tax Interim Payments (Part E)".

**Turnover Tax Interim Payments (Part D)**

38. For which interim payment did you use the assistance of a tax practitioner?

	Tax practitioner	Self calculated
1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	<input type="checkbox"/>	<input type="checkbox"/>

39. Please indicate how much you paid your tax practitioner for submitting your 1<sup>st</sup> Interim payment to SARS.

If you did not make use of a tax practitioner to calculate the 1st interim payment, please select "N/A".

- N/A
- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

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40. Please indicate how much you paid your tax practitioner for submitting your 2<sup>nd</sup> Interim payment to SARS.

If you did not make use of a tax practitioner to calculate the 2nd interim payment, please select "N/A".

- N/A
- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

41. Please indicate the time you spent calculating, completing and submitting the 1<sup>st</sup> interim payment to SARS.

If you did not calculate for the 1st interim payment, please select "N/A".

- N/A
- 1 hour or less
- 1.01 hours – 2.0 hours



- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

---

42. Please indicate the time you spent calculating, completing and submitting the 2<sup>nd</sup> interim payment to SARS.

If you did not calculate for the 2<sup>nd</sup> interim payment, please select "N/A".

- N/A
- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

---

43. Were the interim payments to SARS paid on time?

	Yes	No
1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	<input type="checkbox"/>	<input type="checkbox"/>

44. Please provide the date of payment of the interim payments.

Please use the following format: (DD/MM/YYYY).

If the amount is still not paid, please type ("Not paid") in the applicable field.

1st Interim payment (6 months after the start of the year of assessment i.e. 31 August 2009)	
2nd Interim payment (last day of the year of assessment i.e. 28 February 2010)	

45. In estimating your 'taxable turnover' for the year, which of the following items were included in your calculations?

	Yes	Yes	N/A
50% of the Proceeds on disposal of capital assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment income received.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Previous year allowances added back.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

46. In estimating your 'taxable turnover' for the year, which of the following items were excluded from your calculations?

	Yes	Yes	N/A
Investment income received (only applicable to individuals).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government grants that are exempt from tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Income that accrued to your business and subject to tax prior to register for the Turnover tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salary income (only applicable to individuals).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Turnover Tax Interim Payments (Part E)

47. Please indicate what the Rand amount of the following was during your 2010 year of assessment.

Type only the amount in, without the "R" symbol.

1st Interim payment	
2nd Interim payment	
Final tax liability on your "taxable turnover" for the year	

48. Are you aware of any additional tax that was raised by SARS on your micro business? Additional tax is raised when your interim payments are not at least 80% of your final tax liability for the year of assessment.

- Yes  
 No  
 Unsure  
 No assessment received from SARS

49. Are you aware of any interest that was raised by SARS on your micro business? Interest is raised when your interim payments are not paid within the allowable payment periods.

- Yes  
 No  
 Unsure

#### EMP201 Monthly Return (Part A)

50. Did you make use of a tax practitioner to prepare, complete and submit the monthly employees' tax return of your micro business?

If you are not registered for employees' tax, please select "Not registered for employees' tax" below.

- Yes  
 No  
 Not registered for employees' tax

*If answered "Yes", go to "EMP201 Monthly Return (Part B)".*

*If answered "No", go to "EMP201 Monthly Return (Part C)".*

*If answered "Not registered for employees' tax", go to "Record Keeping (Part A)".*

#### EMP201 Monthly Return (Part B)

51. Please indicate what you paid the practitioner to prepare, complete and submit the monthly employees' tax return.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

Go to “EMP501 Employees’ Tax Reconciliation (Part A)”.

### EMP201 Monthly Return (Part C)

52. How long does it take you to prepare, complete and submit the monthly employees' tax return?

The following should be taken into account when answering this question:

- Time taken to collect/retrieve the EMP 201
- Time taken to judge the relevance of all the sections of the EMP 201 and be familiar with it if changed
- Time taken to collect the information to fill in the EMP 201
- Time taken to complete the EMP 201
- Time taken to submit the EMP 201
- Time taken to copy/record the EMP 201
- This excludes the time taken to familiarize yourself with the obligation

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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### EMP501 Employees’ Tax Reconciliation (Part A)

53. Do you make use of a tax practitioner to prepare, complete and submit the yearly employees' tax reconciliation at the end of February each year (EMP 501)?

- Yes
- No

If answered “Yes”, go to “EMP501 Employees’ Tax Reconciliation (Part B)”.  
If answered “No”, go to “EMP501 Employees’ Tax Reconciliation (Part C)”.

### EMP501 Employees’ Tax Reconciliation (Part B)

54. Please indicate what you have paid the practitioner to prepare, complete and submit the yearly employees' tax reconciliation at the end of February each year (EMP 501).

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- More than R 901 (please specify)

---

Go to "Record Keeping (Part A)".

**EMP501 Employees' Tax Reconciliation (Part C)**

55. How long does it take you to prepare, complete and submit the yearly employees' tax reconciliation at the end of February each year (EMP 501)?

The following should be taken into account when answering this question:

- Time taken to collect/retrieve the form.
- Time taken to judge the relevance of all the sections of the form.
- Time taken to collect the information to fill in the form.
- Time taken to complete the form.
- Time taken to submit the form.
- Time taken to copy/record the form.

- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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56. Do you make use of the free SARS Easy file software to prepare, complete and submit the yearly employees' tax reconciliation at the end of February each year (EMP 501)?

- Yes
- No

**Record Keeping (Part A)**

57. Did you keep record of the following information during the year (please select all applicable blocks)?

	Yes	No
Amounts received during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>
Dividends declared during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>
All assets with a cost price of R 10,000 and more during the	<input type="checkbox"/>	<input type="checkbox"/>

year of assessment.		
All liabilities with a cost price of R 10,000 and more during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>

58. Did you use a tax practitioner to keep the required records up to date?

- Yes  
 No

*If answered "Yes", go to "Record Keeping (Part B)".*

*If answered "No", go to "Record Keeping (Part C)".*

### Record Keeping (Part B)

59. Did your tax practitioner charge you a monthly or an annual fee for maintaining the required records?

Please provide the amount paid to the practitioner in the relevant field. Type the amount without the "R" symbol.

Monthly	
Annually	
Once off	

*Go to "Other Information".*

### Record Keeping (Part C)

60. How often did you spend time on updating all the records (please indicate for all four lists)?

The records are:

- Amounts received during the year of assessment.
- Dividends declared during the year of assessment.
- All assets with a cost price of R 10,000 and more during the year of assessment.
- All liabilities with a cost price of R 10,000 and more during the year of assessment.

	Daily	Weekly	Monthly	Quarterly	Half yearly	Yearly	No Record
Amounts received during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dividends declared during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All assets with a cost price of R 10,000 and more during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All liabilities with a cost price of R 10,000 and more during the year of assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Record Keeping (Part D)

61. How long did it take you to keep your "Amounts Received" records up to date during the year of assessment?

Please take note that this is the total time it took you to keep your records up to date over the period of 12 months:

- Record not kept  
 1 hour or less  
 1.01 hours – 2.0 hours

- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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62. How long did it take you to keep your "Dividends declared" records up to date during the year of assessment?

Please take note that this is the total time it took you to keep your records up to date over the period of 12 months:

- Record not kept
- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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63. How long did it take you to keep your "Assets with a cost of R 10,000 and more" records up to date during the year of assessment:

Please take note that this is the total time it took you to keep your records up to date over the period of 12 months:

- Record not kept
- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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64. How long did it take you to keep your "Liabilities with a cost of R 10,000 and more" records up to date during the year of assessment?

Please take note that this is the total time it took you to keep your records up to date over the period of 12 months:

- Record not kept
- 1 hour or less
- 1.01 hours – 2.0 hours
- 2.01 hours – 3.0 hours
- 3.01 hours – 4.0 hours
- 4.01 hours – 5.0 hours
- 5.01 hours – 6.0 hours
- 6.01 hours – 7.0 hours
- 7.01 hours – 8.0 hours
- 8.01 hours – 9.0 hours
- 9.01 hours – 10.0 hours
- More than 10 hours (please specify)

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### Other Information

65. Please respond to the following statements regarding the Turnover tax system (TT):

	Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	N/A / Not relevant
It saved my business some rands in tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TT is so complex to understand that it is hardly worth the effort to save just a few rands of tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that I was well advised by my accountant about the benefit(s) that the TT could have for my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accountants have a self interested incentive to push you to not use the TT concession.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall, I feel that the TT is a waste of time for everybody, and that we would be better off with lower tax rates and a simpler tax system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

66. How useful do you think the Turnover tax system has been in reducing the tax compliance burden for your business?

	Not useful at all	Not very useful	Unsure	Moderate useful	Very useful
Turnover tax system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

67. How complex is the Turnover tax system for your business to comply with?

	Not complex at all	Not very complex	Unsure	Moderate complex	Very complex
Turnover tax system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **Ingeligte instemming tot deelname aan 'n akademiese navorsingstudie**

### **Departement Belasting**

#### **Omsetbelasting: Is dit te goed om waar te wees vir mikro-besigheid in Suid-Afrika? 'n Verkennende studie.**

Navorsing uitgevoer deur:  
Mnr. B Lindeque (95105256)  
Sel: 082 928 2272

Geagte Respondent

U word genooi om aan 'n akademiese navorsingstudie deel te neem wat uitgevoer word deur Bennie Lindeque, 'n Meestersgraadstudent in die Departement Belasting van die Universiteit van Pretoria.

Die doel van die studie is om te ondersoek of die bekendstelling van Omsetbelasting die koste van belastingwetgehoorsaamheid en onderworpenheid vir mikro-besigheid in Suid Afrika verlaag het.

Let asseblief op die volgende:

- Die studie sluit 'n anonieme opname in. U naam sal nie op die vraelys verskyn nie en die antwoorde wat u verstrek, sal as streng vertroulik hanteer word. U kan nie, gebaseer op die antwoorde wat u verstrek, as persoon geïdentifiseer word nie.
- U deelname aan die studie is vir ons baie belangrik. U mag egter die keuse uitoefen om nie deel te neem nie, en u mag ook u deelname te eniger tyd sonder enige negatiewe gevolge staak.
- Beantwoord asseblief die vrae in die aangehegte vraelys so volledig en eerlik moontlik. Dit behoort nie meer as 20 minute van u tyd in beslag te neem nie.
- Die resultate van die studie sal slegs vir akademiese doeleindes aangewend word en sal moontlik in 'n akademiese vaktydskrif gepubliseer word. Ons sal op u versoek 'n opsomming van ons bevindings aan u verskaf.
- Indien u enige navrae of kommentaar rakende die studie wil rig, neem asseblief kontak op met my studieleier, Prof M Cronje, by 083 655 4006, of by [dspc@rvd.dorea.co.za](mailto:dspc@rvd.dorea.co.za).

Deur die onderstaande skakel te kies, toon u aan dat:

- U bogenoemde inligting gelees het en dit verstaan.
- U instem om vrywillig aan die studie deel te neem.

[Micro-business Compliance Cost Survey](#)



## Algemene Inligting (Deel A)

1. In watter van die volgende regs vorme word u mikro-besigheid bedryf?

- Beslote Korporasie
- Maatskappy
- Koöperasie
- Vennootskap
- Eenmansaak (Individu)

2. Vir hoe lank word u besigheid al bedryf?

- 0 - 1 jaar
- 1 - 2 jaar
- 2 - 3 jaar
- 3 - 4 jaar
- 4 - 5 jaar
- 5+ jaar

3. Indien u besigheid bedryf het voor die bekendstelling van die omsetbelastingstelsel, was u gerigestreer vir die volgende belastings?

	Ja	Nee
Inkomstebelasting	<input type="checkbox"/>	<input type="checkbox"/>
Voorlopige belasting	<input type="checkbox"/>	<input type="checkbox"/>
Werknemersbelasting	<input type="checkbox"/>	<input type="checkbox"/>
Belasting op Toegevoegde Waarde (BTW)	<input type="checkbox"/>	<input type="checkbox"/>

4. Indien u besigheid bedrywig was voor die bekendstelling van die omsetbelastingstelsel, dui asb aan watter van die volgende belastingstelsels deur u gebruik is?

	Ja	Nee
Normale inkomstebelasting-stelsel.	<input type="checkbox"/>	<input type="checkbox"/>
Artikel 12E kleinbesigheidskorporasiebelastingstelsel.	<input type="checkbox"/>	<input type="checkbox"/>
Kleinhandel BTW-pakket.	<input type="checkbox"/>	<input type="checkbox"/>

5. Het u 'n belastingpraktisyn gebruik, voordat u geregistreer het vir die omsetbelasting, om u belasting-aangeleenthede vir u te hanteer?

Hou asb die volgende in gedagte as u die vraag, asook alle vrae wat verwys na u belastingpraktisyn, beantwoord:

- 'n Belastingpraktisyn is enige persoon wat u vertrou met u/of u mikro-besigheid se belasting-aangeleenthede om namens u op te tree en direk met SARS te kontak soos bv. jou boekhouer, rekenmeester, belastingkundige of prokureur ens.
- In die geval waar u direk met SARS skakel, kan SARS nie as u belastingpraktisyn gesien word nie.

- Ja
- Nee
- Gedeeltelik

6. Maak u gebruik van die dienste van 'n belastingpraktisyn vir u belastingaangeleenthede sedert u vir die omsetbelasting geregistreer het?

- Ja
- Nee

7. Waar het u gehoor van die omsetbelasting vir mikro-besighede?

- Internet

- Koerante
- Radio
- SARS
- U belastingpraktisyn / rekenmeester
- Ander (spesifiseer asb)

---

8. Watter van die volgende dokumente wat op die SARS-webwerf beskikbaar is het u ge lees?

Neem asb kennis dat die dokumentasie hieronder uiteengesit net in Engels op die SARS-webwerf beskikbaar is.

	Ja	Nee
“Frequently asked questions”	<input type="checkbox"/>	<input type="checkbox"/>
“Tax Guide For Micro Business Turnover Tax”	<input type="checkbox"/>	<input type="checkbox"/>
“Application Form (TT01) and Completion Guide”	<input type="checkbox"/>	<input type="checkbox"/>

9. Het u enige van die SARS-werkswinkels wat aangebied is om die publiek behulpsaam te wees om die omsetbelasting-stelsel vir mikro-besigheid te verstaan, bygewoon

- Ja
- Nee

Indien antwoord “Ja”, gaan na algemene inligting Deel B.  
Indien antwoord “Nee”, gaan na algemene inligting Deel C.

#### Algemene Inligting (Deel B)

10. Dui asb. aan tot watter mate u saamstem met die volgende stellings met betrekking tot die SARS-werkswinkels.

	Stem glad nie saam nie	Stem gedeeltelik nie saam nie	Onseker	Stem saam	Stem volkome saam	N.v.t. / Nie relevant
Die werkswinkel het my in staat gestel om die nuwe omsetbelasting-stelsel in geheel te verstaan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SARS se hulp het my verwagtinge oorskry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
As gevolg van die bywoning van die werkswinkel kan ek ingeligte besluite neem.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ek is van mening dat die SARS-werkswinkel 'n groot sukses was.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Algemene Inligting (Deel C)

11. Is u vertrouwd met die verskeie omsetbelasting-definisies en -konsepte hieronder aangedui? Oorweeg asb. alle toepaslike opsies.

	Ja	Nee
Dividende (“Dividends”)	<input type="checkbox"/>	<input type="checkbox"/>
Tussentydse betaling (“Interim payment”)	<input type="checkbox"/>	<input type="checkbox"/>
Beleggingsinkomste (“Investment income”)	<input type="checkbox"/>	<input type="checkbox"/>
Professionele dienste (“Professional service”)	<input type="checkbox"/>	<input type="checkbox"/>

Kwalifiserende omset ("Qualifying turnover")	<input type="checkbox"/>	<input type="checkbox"/>
Belasbare omset ("Taxable turnover")	<input type="checkbox"/>	<input type="checkbox"/>
Jaar van aanslag ("Year of assessment")	<input type="checkbox"/>	<input type="checkbox"/>

12. Dui asb. u belasbare omset ("Taxable turnover") vir die 2010-jaar van aanslag aan.

2010-jaar van aanslag = 1 Maart 2009 tot 28 Februarie 2010.

Die omsetbelasting-koerse word toegepas op belasbare omset gedurende die jaar van aanslag. Belasbare omset ("Taxable turnover") is die bedrag, nie van kapitale aard, wat ontvang is as gevolg van die bedryf van besigheidsaktiwiteite in die Republiek, met spesifieke insluitings (50% van kapitaal opbrengs, beleggingsinkomste, sekere belastingtoelaes toegestaan in vorige jaar) en uitsluitings (individuele beleggingsinkomste, staattoegewings, vorige jaar belaste bedrae en salarisinkomste van 'n individu).

- R 0 – R 100,000
- R 100,001 – R 300,000
- R 300,001 – R 500,000
- R 500,001 – R 750,000
- R 750,001 – R 1,000,000
- R 1,000,000 en meer

13. Dui asb. aan by watter SARS-kantoor u geregistreer is.

- Alberton
- Beaufort West
- Bellville
- BeNeeni
- Bloemfontein
- Boksburg
- Brakpan
- Cape Town
- Durban
- East London
- George
- Germiston
- Giyani
- Johannesburg
- Kimberley
- Klerksdorp
- Kroonstad
- Krugersdorp
- Lebowakgomo
- Mmabatho
- Mthatha
- Nelspruit
- Nigel
- Paarl
- Pietermaritzburg
- Polokwane
- Port Elizabeth
- Pretoria
- Randfontein
- Roodepoort
- Rustenburg
- Sibasa
- Springs
- Standerton
- Uitenhage
- Vereeniging

- Welkom
- Witbank
- Worcester
- Ander (spesifiseer asb)

14. Dui asseblief u besigheid se hoofbron van inkomste aan.

- Agentskappe and ander dienste(3534)
- Ander vervaardiging-industrieë (3518)
- Chemikalieë en chemiese-, rubber- en plastiekprodukte (3509)
- Elektrisiteit, gas en water (3519)
- Finansiering, versekering, vaste eiendom, en besigheidsdienste (3525)
- Gespesialiseerde hersteldienste (3533)
- Groothandel (3521)
- Hout, houtprodukte en meubels (3507)
- Kleinhandelverkope (3522)
- Klerasie en skoesel (3505)
- Konstruksie (3520)
- Kos, drank en sigarette (3503)
- Landbou, bosbou and vissery (3501)
- Leer, leerprodukte en pelse (uitgesluit skoene en klerasie) (3506)
- Lid van 'n BK / Direkteur van 'n maatskappy (3535)
- Masjinerie en soortgelyke items (3514)
- Mediese, tandheel, ander gesondheids- en veeartseny-dienste (3529)
- Mynbou, steen en steengroef- aktiwiteite (3502)
- Navorsing en wetenskaplike instansies (3528)
- Opvoedkundige dienste (3527)
- Papier, druk en publisering (3508)
- Persoonlike en huishoudelike dienste (3532)
- Publieke administrasie (3526)
- Rekreasie en kulturele dienste (3531)
- Sosiale en soortgelyke gemeenskapsdienste (3530)
- Staal (3512)
- Staalprodukte (uitgesluit masjinerie en toerusting) (3513)
- Steen, keramiek, glas, sement en soortgelyke produkte (3523)
- Steenkool- en petroleumgoedere (3510)
- Tekstiel (3504)
- Vervoer, berging en kommunikasie (3524)
- Vervoertoerusting (uitgesluit voertuie, onderdele en bybehore) (3516)
- Voertuie, onderdele en bybehore (3515)
- Wetenskaplike, optiese en soortgelyke toerusting (3517)

#### Registrasie: Omsetbelasting (Deel A)

15. Het u gebruik gemaak van 'n belastingpraktisyn om u en/of u besigheid vir die omsetbelasting-stelsel te registreer?

- Ja
- Nee

Indien antwoord “Ja”, gaan na Registrasie: Omsetbelasting (Deel B).  
Indien antwoord “Nee”, gaan na Registrasie: Omsetbelasting (Deel C).

#### Registrasie: Omsetbelasting (Deel B)

16. Hoeveel het u u belastingpraktisyn vir die registrasie betaal?

- R 0 – R 100

- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

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Gaan na “Registrasie: Werknemersbelasting (Deel A)”.

### Registrasie: Omsetbelasting (Deel C)

17. Hoe lank het dit u (ingesluit alle personeelyd gebruik op die aktiwiteit) geneem om die omsetbelasting registrasievorm (Turnover tax application form (TT01)) te voltooi, voor te berei en by SARS in te handig?

Met beantwoording van die vraag moet die volgende in ag geneem word:

- Tyd om die vorm te gaan haal of af te laai.
- Tyd om die relevansie van alle afdelings van die vorm te oorweeg.
- Tyd om die nodige inligting te versamel om die vorm te voltooi.
- Tyd om die vorm te voltooi.
- Tyd om die vorm in te handig.
- Tyd om die vorm te kopieer en te liasseer.

- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- Meer as 8 ure (spesifiseer asb)

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### Registrasie: Werknemersbelasting (Deel A)

18. Het u van 'n belastingpraktisyn gebruik gemaak om vir werknemersbelasting, indien u nie reeds vir werknemersbelasting geregistreer was nie, te registreer?

Indien u reeds vir werknemersbelasting geregistreer was, kies "Reeds geregistreer" hieronder.

Indien u nog steeds nie vir werknemersbelasting geregistreer is nie, kies "Nie geregistreer nie" hieronder.

- Ja
- Nee
- Nie geregistreer nie
- Reeds geregistreer

*Indien antwoord “Ja”, gaan na “Registrasie: Werknemersbelasting (Deel B)”.*

*Indien antwoord “Nee”, gaan na “Registrasie: Werknemersbelasting (Deel C)”.*

*Indien antwoord “Nie geregistreer nie” of “Reeds geregistreer”, gaan na “Deregistrasie: BTW (Deel A)”.*

### Registrasie: Werknemersbelasting (Deel B)

19. Dui asb. die bedrag aan wat u belastingpraktisyn u gevra het om u as 'n wergewer vir werknemersbelasting by SARS te registreer.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

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Gaan na “Deregistrasie: BTW (Deel A)”.

### Registrasie: Werknemersbelasting (Deel C)

20. Hoe lank het dit u (ingesluit alle personeel tyd gebruik op die aktiwiteit) geneem om die werknemersbelastingregistrasie vorm te voltooi, voor te berei en in te handig?

Met beantwoording van die vraag moet die volgende in ag geneem word:

- Tyd om die EMP 101-vorm te gaan haal of af te laai.
- Tyd om die EMP 101-vorm te voltooi.
- Tyd om die EMP 101-vorm in te handig.
- Tyd om die EMP 101-vorm te kopieer en aan te teken.

- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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### Deregistrasie: BTW (Deel A)

21. Het u as gevolg van die registrasie vir die omsetbelasting vir BTW gederegistreer?

- Ja
- Nee

Indien antwoord “Ja”, gaan na “Deregistrasie: BTW (Deel B)”.

Indien antwoord “Nee”, gaan na “Omsetbelasting Tussentydse Betaling (Deel A)”.

### Deregistrasie: BTW (Deel B)

22. Het u belastingpraktisyn u gehelp tydens u registrasie vir omsetbelasting om vir BTW te deregistreer?

- Ja

Nee

*Indien antwoord “Ja”, gaan na “Deregistrasie: BTW (Deel C)”.*  
*Indien antwoord “Nee”, gaan na “Deregistrasie: BTW (Deel D)”.*

### Deregistrasie: BTW (Deel C)

23. Dui asb. aan hoeveel het u u belastingpraktisyn vir die registrasiehulp betaal het?

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

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### Deregistrasie: BTW (Deel D)

24. Het die deregistrasie van BTW tot gevolg gehad dat u 'n betaling gebaseer op die bates (BTW op kapitaalgoedere) van die besigheid betaal het?

- Ja
- Nee

*Indien antwoord “Ja”, gaan na “Deregistrasie: BTW (Deel E)”.*  
*Indien antwoord “Nee”, gaan na “Omsetbelasting Tussentydse Betaling (Deel A)”.*

### Deregistrasie: BTW (Deel E)

25. Dui asb. die BTW-bedrag aan wat u aan SARS as gevolg van die deregistrasie betaal het?

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26. In hoeveel paaiemente het u hierdie BTW-bedrag aan SARS oorbetaal?

- 1 paaiement
- 2 paaiemente
- 3 paaiemente
- 4 paaiemente
- 5 paaiemente
- 6 paaiemente
- Meer as 6 paaiemente (spesifiseer asb)

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### Omsetbelasting Tussentydse Betaling (Deel A)

27. Het u van 'n belastingpraktisyn gebruik gemaak om u tussentydse betalings, wat u aan SARS moet betaal, te bereken?

- Ja (tussentydse betaling 1 en 2 deur belastingpraktisyn bereken)
- Nee (tussentydse betaling 1 en 2 self bereken)
- Beide (een tussentydse betaling deur belastingpraktisyn en ander een self bereken)

Indien antwoord “Ja”, gaan na “Omsetbelasting Tussentydse Betaling (Deel B)”.  
Indien antwoord “Nee”, gaan na “Omsetbelasting Tussentydse Betaling (Deel C)”.  
Indien antwoord “Beide”, gaan na “Omsetbelasting Tussentydse Betaling (Deel D)”.

### Omsetbelasting Tussentydse Betaling (Deel B)

28. Vir watter tussentydse betaling het u die hulp van u belastingpraktisyn gebruik?

	Ja	Nee
1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	<input type="checkbox"/>	<input type="checkbox"/>

29. Dui asb. hoeveel u u belastingpraktisyn betaal het om die 1ste tussentydse betaling aan SARS in te dien.

- R 0 – R 100  
 R 101 – R 200  
 R 201 – R 300  
 R 301 – R 400  
 R 401 – R 500  
 R 501 – R 600  
 R 601 – R 700  
 R 701 – R 800  
 R 801 – R 900  
 Meer as R 901 (spesifiseer asb)

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30. Dui asb. aan hoeveel u u belastingpraktisyn betaal het om die 2de tussentydse betaling aan SARS in te dien.

- R 0 – R 100  
 R 101 – R 200  
 R 201 – R 300  
 R 301 – R 400  
 R 401 – R 500  
 R 501 – R 600  
 R 601 – R 700  
 R 701 – R 800  
 R 801 – R 900  
 Meer as R 901 (spesifiseer asb)

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Gaan na “Omsetbelasting Tussentydse Betaling (Deel E)”.

### Omsetbelasting Tussentydse Betaling (Deel C)

31. Watter tussentydse betaling het u self bereken?

	Ja	Nee
1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	<input type="checkbox"/>	<input type="checkbox"/>



32. Dui asb. aan hoe lank dit geneem het om die 1ste tussentydse betaling te bereken, te voltooi en by SARS in te dien.

- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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33. Dui asb. aan hoe lank dit geneem het om die 2de tussentydse betaling te bereken, te voltooi en by SARS in te dien.

- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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34. Is die tussentydse betalings betyds aan SARS oorbetaal?

	Ja	Nee
1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	<input type="checkbox"/>	<input type="checkbox"/>

35. Dui asb die betaaldatums van die tussentydse betalings aan.

Sleutel asb. die betaaldatum in die volgende formaat in: (DD/MM/JJJJ)

Indien nog steeds nie betaal is nie, tik "Nie betaal nie" in die toepaslike veld.

1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	

36. Het u die volgende items tydens die skatting en berekening van u "belasbare omset" ("taxable turnover") vir die jaar van aanslag ingesluit in u berekening?

	Ja	Nee	N.v.t.
50% van die opbrengs met die verkoop van kapitale bates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beleggingsinkomste ontvang.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Terugtellings van vorige jaar belastingtoelaes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

37. Het u die volgende items tydens die skatting en berekening van u "belasbare omset" ("taxable turnover") vir die jaar van aanslag uitgesluit van u berekening?

	Ja	Nee	N.v.t.
Beleggingsinkomste (slegs van toepassing op individue).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vrygestelde Staatstoewings (Government grants).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inkomste wat reeds toegeval het en in 'n vorige jaar belas is.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salarisinkomste (slegs van toepassing op individue).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Gaan na "Omsetbelasting Tussentydse Betaling (Deel E)".

#### Omsetbelasting Tussentydse Betaling (Deel D)

38. Vir watter tussentydse betaling het u die hulp van u belastingpraktisyn gebruik en watter tussentydse betaling het u self bereken?

	Belastingpraktisyn hulp verkry	Self bereken en ingehandig
1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	<input type="checkbox"/>	<input type="checkbox"/>

39. Dui asb. hoeveel u u belastingpraktisyn betaal het om die 1ste tussentydse betaling aan SARS in te dien.

Indien u nie die hulp van u belastingpraktisyn vir hierdie betaling gebruik het nie, kies asb. "N.v.t." hieronder.

- N.v.t.
- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

---

40. Dui asb. aan hoeveel u u belastingpraktisyn betaal het om die 2de tussentydse betaling aan SARS in te dien.

Indien u nie die hulp van u belastingpraktisyn vir hierdie betaling gebruik het nie, kies asb. "N.v.t." hieronder.

- N.v.t.
- R 0 – R 100
- R 101 – R 200
- R 201 – R 300

- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

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41. Dui asb. aan hoe lank dit geneem het om die 1ste tussentydse betaling te bereken, te voltooi en by SARS in te dien.

Indien u nie self die 1ste tussentydse betaling bereken het nie, moet u "N.v.t." hieronder kies.

- N.v.t.
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

---

42. Dui asb. aan hoe lank dit geneem het om die 2de tussentydse betaling te bereken, te voltooi en by SARS in te dien.

Indien u nie self die 2de tussentydse betaling bereken het nie, moet u "N.v.t." hieronder kies.

- N.v.t.
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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43. Is die tussentydse betalings betyds aan SARS oorbetaal?

	Ja	Nee
1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	<input type="checkbox"/>	<input type="checkbox"/>
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	<input type="checkbox"/>	<input type="checkbox"/>

44. Dui asb die betaaldatums van die tussentydse betalings aan.

Sleutel asb. die betaaldatum in die volgende formaat in: (DD/MM/JJJJ)

Indien nog steeds nie betaal is nie, tik "Nie betaal nie" in die toepaslike veld.

1ste tussentydse betaling (6 maande na die begin van die jaar van aanslag i.e. 31 Augustus 2009)	
2de tussentydse betaling (laaste dag van die jaar van aanslag i.e. 28 Februarie 2010)	

45. Het u die volgende items tydens die skatting en berekening van u "belasbare omset" ("taxable turnover") vir die jaar van aanslag ingesluit in u berekening?

	Ja	Nee	N.v.t.
50% van die opbrengs met die verkoop van kapitale bates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beleggingsinkomste ontvang.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Terugtellings van vorige jaar belastingtoelaes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

46. Het u die volgende items tydens die skatting en berekening van u "belasbare omset" ("taxable turnover") vir die jaar van aanslag uitgesluit van u berekening?

	Ja	Nee	N.v.t.
Beleggingsinkomste (slegs van toepassing op individue).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vrygestelde Staatstoewings (Government grants).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inkomste wat reeds toegeval het en in 'n vorige jaar belas is.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salarisinkomste (slegs van toepassing op individue).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Omsetbelasting Tussentydse Betaling (Deel E)

47. Dui asb. wat die randwaarde van die volgende betalings gedurende die 2010-jaar van aanslag was.

Tik slegs die bedrag in sonder die "R".

1ste tussentydse betaling	
2de tussentydse betaling	
Finale Belastingaanspreeklikheid op "belasbare omset" ("taxable turnover")	

48. Is u bewus van enige addisionele belasting wat deur SARS op u mikro-besigheid gehef is?

Addisionele belasting word gehef as die tussentydse betalings gemaak, nie ten minste 80% van die finale belasting aanspreeklikheid vir die jaar van aanslag is nie.

- Ja  
 Nee  
 Onseker  
 Geen aanslag van SARS ontvang nie

49. Is u bewus van enige boete en rente wat deur SARS op u mikro-besigheid gehef is?

Rente word gehef wanneer u tussentydse betalings nie betyds aan SARS oorbetal is nie.

- Ja  
 Nee  
 Onseker

### EMP201 Maandelikse Opgawe (Deel A)

50. Het u van 'n belastingpraktisyn se hulp gebruik gemaak om die maandelikse werknemersbelasting-opgawe vir u besigheid voor te berei, te voltooi en by SARS in te dien?

Indien u nie vir werknemersbelasting geregistreer is nie, kies "Nie geregistreer nie" hieronder.

- Ja  
 Nee  
 Nie geregistreer nie

*Indien antwoord "Ja", gaan na "EMP201 Maandelikse Opgawe (Deel B)".*

*Indien antwoord "Nee", gaan na "EMP201 Maandelikse Opgawe (Deel C)".*

*Indien antwoord "Nie geregistreer nie", gaan na "Rekordhouding (Deel A)".*

### EMP201 Maandelikse Opgawe (Deel B)

51. Dui asb. aan hoeveel u u belastingpraktisyn betaal het om die maandelikse opgawe voor te berei, te voltooi en by SARS in te handig?

- R 0 – R 100  
 R 101 – R 200  
 R 201 – R 300  
 R 301 – R 400  
 R 401 – R 500  
 R 501 – R 600  
 R 601 – R 700  
 R 701 – R 800  
 R 801 – R 900  
 Meer as R 901 (spesifiseer asb)

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*Gaan na "EMP501 Werknemersbelasting Rekonsiliasie (Deel A)".*

### EMP201 Maandelikse Opgawe (Deel C)

52. Hoe lank het dit geneem om die maandelikse werknemersbelasting-opgawe voor te berei, te voltooi en by SARS in te dien?

Met beantwoording van die vraag moet die volgende in ag geneem word:

- Tyd om die EMP201-vorm te gaan haal of af te laai.
- Tyd om die relevansie van alle afdelings van die EMP201-vorm te oorweeg
- insluitende enige veranderinge aan die vorm.
- Tyd om die nodige inligting te versamel om die EMP201-vorm te voltooi.
- Tyd om die EMP201-vorm te voltooi.
- Tyd om die EMP201-vorm in te handig.
- Tyd om die EMP201-vorm te kopieer en te liasseer.
- Die tyd om die wat dit neem om jou te vereenselwig met die aanspreeklikheid moet egter uitgesluit word.

- 1 uur en minder  
 1.01 uur – 2.0 uur  
 2.01 uur – 3.0 uur  
 3.01 uur – 4.0 uur

- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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#### EMP501 Werknemersbelasting Rekonsiliasie (Deel A)

53. Het u gebruik gemaak van 'n belastingpraktisyn om die jaarlikse werknemersbelasting-rekonsiliasie (EMP501) voor te berei, te voltooi en by SARS in te dien?

- Ja
- Nee

*Indien antwoord “Ja”, gaan na “EMP501 Werknemersbelasting Rekonsiliasie (Deel B)”.*  
*Indien antwoord “Nee”, gaan na “EMP501 Werknemersbelasting Rekonsiliasie (Deel C)”.*

#### EMP501 Werknemersbelasting Rekonsiliasie (Deel B)

54. Dui asb. aan hoeveel u u belastingpraktisyn betaal het om die werknemersbelasting-rekonsiliasie (EMP 501) aan die einde van Februarie voor te berei, te voltooi en by SARS in te dien.

- R 0 – R 100
- R 101 – R 200
- R 201 – R 300
- R 301 – R 400
- R 401 – R 500
- R 501 – R 600
- R 601 – R 700
- R 701 – R 800
- R 801 – R 900
- Meer as R 901 (spesifiseer asb)

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*Gaan na “Rekordhouding (Deel A)”.*

#### EMP501 Werknemersbelasting Rekonsiliasie (Deel C)

55. Hoe lank het dit u geneem om die werknemersbelasting-rekonsiliasie (EMP 501) aan die einde van Februarie voor te berei, te voltooi en by SARS in te dien?

Met beantwoording van die vraag moet die volgende in ag geneem word:

- Tyd om die vorm te gaan haal of af te laai.
- Tyd om die relevansie van alle afdelings van die vorm te oorweeg.
- Tyd om die nodige inligting te versamel om die vorm te voltooi.
- Tyd om die vorm te voltooi.
- Tyd om die vorm in te handig.
- Tyd om die vorm te kopieer en liasseer.

- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur

- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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56. Het u gebruik gemaak van die gratis SARS "Easy file" sagteware om die jaarlikse werknemersbelasting-rekonsiliasie voor te berei, te voltooi en in te handig?

- Ja
- Nee

**Rekordhouding (Deel A)**

57. Het u die volgende rekords gedurende die jaar bygehou?

Kies asb. alle toepaslike blokkies.

	Ja	Nee
Bedrae ontvang gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>
Dividende verklaar gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>
Alle bates met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>
Alle laste met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>

58. Het u die hulp van 'n belastingpraktisyn gekry om die rekords vir u op datum te hou?

- Ja
- Nee

*Indien antwoord "Ja", Gaan na "Rekordhouding (Deel B)".  
Indien antwoord "Nee", Gaan na "Rekordhouding (Deel C)".*

**Rekordhouding (Deel B)**

59. Het u belastingpraktisyn u 'n maandelikse of jaarlikse fooi gevra vir die byhou van die rekords?

Dui asb. aan wat die bedrag is wat u betaal het in die relevante veld. Tik die bedrag sonder die "R" in.

Maandeliks	
Jaarliks	
Eenmalig	

*Gaan na "Ander Inligting".*

**Rekordhouding (Deel C)**

60. Hoe gereeld spandeer u tyd om die rekords op datum te hou?

Dui asb. per rekord aan.

Die rekords is:

- Bedrae ontvang gedurende die jaar van aanslag.
- Dividende verklaar gedurende die jaar van aanslag.

- Alle bates met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.
- Alle laste met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.

	Daaglik	Weeklik	Maandeliks	Kwartaaliks	Halfjaarlik	Jaarlik	Geen Rekord
Bedrae ontvang gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dividende verklaar gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alle bates met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alle laste met 'n kosprys van R 10,000 en meer gedurende die jaar van aanslag.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Rekordhouding (Deel D)

61. Hoe lank het dit u geneem om die "Bedrae ontvang"-rekord gedurende die jaar van aanslag op datum te hou?

Neem asb kennis dat die tyd in ure die totale tyd vir die 12 maande gedurende die jaar moet wees wat daaraan spandeer is.

- Geen rekord gehou nie
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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62. Hoe lank het dit u geneem om die " Dividende verklaar"-rekord gedurende die jaar van aanslag op datum te hou?

Neem asb kennis dat die tyd in ure die totale tyd vir die 12 maande gedurende die jaar moet wees wat daaraan spandeer is.

- Geen rekord gehou nie
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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63. Hoe lank het dit u geneem om die "Bates met 'n kosprys van R 10,000 en meer"- rekord gedurende die jaar van aanslag op datum te hou?

Neem asb kennis dat die tyd in ure die totale tyd vir die 12 maande gedurende die jaar moet wees wat daaraan spandeer is.

- Geen rekord gehou nie
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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64. Hoe lank het dit u geneem om die "Laste met 'n kosprys van R 10,000 en meer"- rekord gedurende die jaar van aanslag op datum te hou?

Neem asb kennis dat die tyd in ure die totale tyd vir die 12 maande gedurende die jaar moet wees wat daaraan spandeer is.

- Geen rekord gehou nie
- 1 uur en minder
- 1.01 uur – 2.0 uur
- 2.01 uur – 3.0 uur
- 3.01 uur – 4.0 uur
- 4.01 uur – 5.0 uur
- 5.01 uur – 6.0 uur
- 6.01 uur – 7.0 uur
- 7.01 uur – 8.0 uur
- 8.01 uur – 9.0 uur
- 9.01 uur – 10.0 uur
- Meer as 10 uur (spesifiseer asb)

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**Ander Inligting**

65. Dui asb. aan tot watter mate u saamstem met die volgende stellings met betrekking tot die omsetbelasting-stelsel.

	Stem glad nie saam nie	Stem gedeeltelik nie saam nie	Onseker	Stem saam	Stem volkome saam	N.v.t. / Irrelevant
Omsetbelasting-stelsel het tot 'n belastingbesparing in my besigheid gelei.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Omsetbelasting-stelsel is ingewikkeld om te verstaan en nie die moeite werd om daardeur 'n paar rand belasting te spaar nie.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ek voel my boekhouer het my deeglik ingelig van die omsetbelasting-stelselvoordele vir my besigheid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Boekhouders het 'n persoonlike belang en spoor mense aan om nie van die omsetbelastingstelsel gebruik te maak nie.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geheel en al voel ek dat die omsetbelasting-stelsel 'n mors van tyd is en dat ek beter kan baat vind by laer belastingkoerse en 'n eenvoudiger belastingstelsel.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

66. Hoe bruikbaar dink u is die omsetbelasting-stelsel om die koste van belastingwetgehoorsaamheid en onderworpenheid ("Tax compliance cost") van u besigheid te verlaag?

	Geensins bruikbaar	Min bruikbaar	Onseker	Redelik bruikbaar	Baie bruikbaar
Omsetbelasting-stelsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

67. Hoe moeilik is dit vir u besigheid om aan die omsetbelasting-stelsel se vereistes te voldoen?

	Baie maklik	Redelik maklik	Onseker	Redelik moeilik	Baie moeilik
Omsetbelasting-stelsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>