



Prepared by:
KUBASHNI MOODLEY
DIRECTOR – TAX

UPDATE ON CHEQUE PAYMENTS TO SARS

Following on from our previous tax alert entitled “The End of the Road for the Cheque” it appears that SARS has taken further steps to ensure taxpayers discontinue the use of cheques for the purposes of settling their tax debts.

With effect from 30 May 2014, taxpayers are no longer permitted to make any cheque payments to SARS in the following circumstances –

- During the preceding 3 years the taxpayer made two payments by cheque to SARS that were “referred to drawer”; or
- The payment is in excess of R50 000 with regards to –
 - Income Tax except for the following –
 - Donations Tax
 - Withholding tax in respect of non-resident sellers of immovable property located in South Africa
 - Assessments of owners or charters of ships or aircrafts who are not resident in South Africa
 - Value-Added Tax (VAT)
 - Employees Tax (PAYE)

It is important to note that the R50 000 limit noted above relates to the total payments made by cheque by that person on that specific day. Therefore if, for example, a person is required to make an Income Tax and VAT payment on the same day the total of both cheques cannot exceed this R50 000 threshold. We recommend that the payment of taxes by cheque be used as a last resort as non-adherence to the above requirements will result in cheques being rejected and late payment penalties and interest being imposed.

PKF

chartered accountants
& business advisers

Physical address:
2nd Floor
12 on Palm boulevard
Gateway

Durban 4319

Tel: (031) 573 5000

Fax: 086 683 3191 (SA only)

Int. Fax: + 27 31 566 4666

E-mail: kubashni.moodley@pkf.co.za

www.pkf.co.za

right size. right people. right answers.®

Disclaimer

This article is produced for information purposes only and does not constitute formal advice. PKF cannot be held liable for any losses suffered as a result of reliance upon information contained in this article. PKF South Africa Inc is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.
