Feedback Tutorial Letter

TAXATION 202
(TAX621S)

Assignment number 1
1. A year of assessment for an individual consists of 12 months beginning on the first day of April of a specific year and ending on the last day of March of the following year. The 2021 year of assessment therefore started on 1 April 2020 and ended on 31 March 2021. **FALSE**

2. Individuals who receive taxable income in excess of a specific amount (known as the “tax threshold” amount) in a year of assessment are liable for income tax. The tax threshold amount for the 2017 year of assessment is R79 000 for individuals below the age of 60. **TRUE**

3. An individual who becomes liable for any income tax or who must submit an income tax return must, within 21 business days of becoming liable, apply to SARS for registration in the prescribed form and manner. **TRUE**

4. Income tax returns must be submitted to SARS on an annual basis. This is carried out during a period known as “Tax Season”, which is the period during which tax returns can be obtained and submitted for assessment. The income tax return applicable to individuals is known as the ITR12 form. The tax season for the 2021 year of assessment opened on 1 August 2021. **FALSE**

5. Tax returns may be submitted electronically at a SARS branch office, through eFiling or hand delivered. **TRUE**

6. An individual is not required to submit an income tax return for the 2021 year of assessment (even when that individual’s gross income exceeds the applicable tax threshold at which income tax becomes payable) if the gross income of that individual consisted solely of remuneration payable from a single source and which did not exceed R350 000 for the year of assessment, and employees’ tax was correctly withheld in terms of the deduction tables prescribed by the Commissioner for SARS. **FALSE**

7. Employees’ tax is the tax that employers are required to withhold from the salary of employees and pay over to SARS on a monthly basis. **TRUE**

8. Employees’ tax is also known as PAYE, an acronym for Paying Taxes on your Earnings. **FALSE**

9. An individual who derives income that does not constitute remuneration must pay what is known as provisional tax. **TRUE**

10. The due dates for the tax mentioned above are six months after the beginning of the year, on the last day of the year and top-up payment six months after year-end. **FALSE**