

## SUBMITTING VAT RETURNS

Depending on a vendor's turnover, a vendor is obliged to submit a vat return to SARS, at the end of every month, or at the end of every second month.

That return must reflect the output tax which the vendor charged on his sales for that period, and it may also claim a deduction of input tax which the vendor paid for goods or services which were supplied during the same period. Any input taxes claimed must be based on valid tax invoices which must be in his possession, on the date that he submits that VAT return.

A valid input tax invoice must contain the following information::

<b>Invoice Value Over R 5000</b>	<b>Invoice Value Under R 5000</b>
(a) The words "tax invoice", "VAT invoice" or "invoice";	(a)The words "tax invoice", "VAT invoice" or "invoice";
(b)the name, address and VAT registration number of the supplier;	(b)the name, address and VAT registration number of the supplier;
(c)the name, address and, where the recipient is a registered vendor, the VAT registration number of the recipient;	
(d)an individual serialized number and the date upon which the tax invoice is issued;	(c)an individual serialized number and the date upon which the tax invoice is issued;
(e)full and proper description of the goods (indicating, where applicable, that the goods are second-hand goods) or services supplied;	(d)a description of the goods (indicating, where applicable, that the goods are second-hand goods) or services supplied;
( f )the quantity or volume of the goods or services supplied;	
(g)either—(i)the value of the supply, the amount of tax charged and the consideration for the supply; or (ii)where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.	(e)either—(i)the value of the supply, the amount of tax charged and the consideration for the supply; or (ii)where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

Invoice Value Over R 5000	Invoice Value Under R 5000
Where the supply is zero rated, the requirements under (g) are not required.	Where the supply is zero rated, the requirements under (e) are not required.

As the input tax claim constitutes the claim for the deduction of tax, SARS audits every such input tax claim. If any of this detail is missing from an input tax invoice, SARS is entitled to disallow the claim. Check all input tax invoices carefully, so that any errors can be corrected by your suppliers ..

SARS audits the input tax claim by requesting supporting documents. In response to SARS' verification notice, it is recommended that the following supporting documents be supplied:

- A copy of the VAT input/output schedule, outlining the details of every invoice making up the amounts entered on the VAT return
- Copies of 5 input tax and 5 output tax invoices – in each case, choose invoices for the largest amounts. SARS generally do not require ALL invoices to be submitted. They are usually happy with evidence that the biggest ones are valid.
- If you are using e-filing, make sure the documents are uploaded the right way up so it is easy for SARS to read, and that they are legible.
- Also make sure they are clearly named and labelled.
- Upload them in a logical sequence. (We highly recommend only using E-filing for the purpose of submitting VAT returns, as there is a clear record of delivery, and the audit process is faster)

If you fail to follow these simple steps, SARS can easily disallow the full input tax claim.

Where SARS disallows an input tax claim, or a portion of that claim, it does so by issuing a VAT assessment. The taxpayer has 30 business days to submit an objection, or a further 30 business days in reasonable circumstances. Only in exceptional circumstances will SARS consider an objection submitted outside of this timeframe.

Alan specialises in the submitting of objections as well as in compelling SARS to follow required legal procedures such as the issuing of assessments. He can also assess the validity of penalty and interest charges imposed by SARS which the taxpayer may deem to be incorrect. It would be worth contacting him to assist you in such matters.