



South African Revenue Service

Dear Taxpayer

TRUST FILING SEASON 2022: FORM AND SYSTEM CHANGES TO BE INTRODUCED FROM 24 JUNE 2022

As the South African Revenue Service (SARS) celebrates its 25th anniversary, we value your support and contribution to our country's economy and prosperity. We are committed to improving our service offerings and continuously enhancing our systems and processes pertaining to the filing of income tax returns for Trusts (ITR12T).

With effect from 24 June 2022, SARS will introduce changes to the Income Tax Return for Trusts (ITR12T), the Notice of Assessment for Trusts (ITA34T), eFiling enhancements, and an update to the limited number of source code descriptions.

The changes being introduced include, amongst others:

- **Added field to the Trust return** where a taxpayer can type the code into the field, or properly navigate and select the code from a drop-down list.
 - The code will also be pre-populated based on the data that was completed on a prior return i.e., "Tax Practitioners Details (if applicable)".
 - "Recoupments (excl. wear and tear) (s8(4))" will be added to the "Local Business and Trading Income, Credit Adjustments, Recoupment of allowances previously granted" section of the return.
 - Deductions in respect of erection or improvement of buildings in urban development zones (UDZ) incentive of Section 13quat of the Income Tax Act has been extended to 31 March 2023.
 - Deduction of Donations to certain organisations under Section 18A of the Income Tax Act, 1962, all the fields for the "Solidarity Fund Contributions" will be removed from the 2022 tax period.
 - Venture Capital Company (VCC): Investment under source code 4051 will be deactivated from the 2021 tax year and onwards as it is no longer applicable.
 - Income from Local Farming Operations (IT48) will be updated to allow the taxpayer to select if a relevant paragraph in the First Schedule to the Income Tax Act applies.

- **Extended Refresh Functionality**
 - To enable taxpayers to refresh the data contained in the Lump Sum Benefits "Received or Accrued" container on eFiling.
- **Confirmation and Declaration of the Income Tax Trust Return (ITR12T)**
 - When the taxpayer submits the return, the "Declaration Date" will be auto populated with a "Confirm" and a "Cancel" button as well as the date the form was submitted.
- **Notice of Assessment for Trusts (ITA34T)**
 - In relation to "Local Business and Trading Income, Credit Adjustments, and Recoupment of Allowances" declared on the ITR12T, a new field "Recoupments (excluding wear and tear) (s8(4))" is added.

Managing Tax Compliance Matters

Trusts are included in the definition of a "person" in terms of the Income Tax Act, 1962 (ITA), and as such, the trustees or representative taxpayers have a responsibility to register all Trusts for income tax purposes.

Please keep in mind that the representative taxpayer (the trustee(s) of a Trust) or the appointed tax practitioner must file an income tax return for the Trust on an annual basis and during the Trust return filing period, which runs from July 1 to 23 November 2022, to avoid penalties and interest. In addition, beneficiaries of a Trust must also declare their income that was vested or distributed by the Trust during the year of assessment on their personal income tax returns.

Also note that a provisional taxpayer includes a person (other than a company) who earns income which is not remuneration, an allowance or advance as contemplated in section 8(1) or who earns remuneration from an employer that is not registered for employees' tax. In this regard Trusts should ensure that they comply, should they fall within this definition.

Making it easier

The quick and convenient way to obtain and file an ITR12T is to register as an eFiler on SARS eFiling, request the return, and then customise it by completing the questions on the first page (Tax Wizard) of the return.

More information

For further information, frequently asked questions (FAQ's), guidelines and to keep abreast of the changes introduced, please visit the SARS website.

We believe that these changes will provide trustees and tax practitioners with the clarity and certainty they require to meet their tax obligations and make it easy for them to comply.

Sincerely,

THE SOUTH AFRICAN REVENUE SERVICE

June 2022

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