



*South African Revenue Service*

Dear Stakeholder

## **TRUST FILING SEASON: FORM AND SYSTEM CHANGES TO BE INTRODUCED FROM 16 SEPTEMBER 2024**

SARS is making it easier to file Income Tax Returns for Trusts (ITR12T). The enhancements to SARS systems foster clarity and certainty, making it easier for taxpayers to comply with their tax obligations.

The annual notice, issued by the Commissioner, requires of **ALL** Trusts to submit an ITR12T. The representative taxpayers of Trusts (trustees) must ensure that they comply.

From 16 September 2024, SARS will change some aspects of the Trust Income Tax Return . The changes include:

### **Section 12BA of the Income Tax Act 58 of 1962: Enhanced Deduction for Certain Machinery, Plant, Implements, Utensils, and Articles Used in the Production of Renewable Energy**

- To encourage greater private investment in renewable energy, SARS has temporarily made the renewable-energy tax incentive available in section 12B of the Income Tax Act more attractive.

### **Section 13quat of the Income Tax Act 58 of 1962: Urban Development Zone (UDZ)**

- SARS extended the tax incentive for two years from 31 March 2023 to 31 March 2025.

### **Section 7C of the Income Tax Act 58 of 1962: Loans, Advances, or Credit Granted to Trusts by a Connected Person**

- The exclusion for the acquisition of a primary residence is clarified and includes funding of improvements to the primary residence. The limitations in paragraph 46 relating to the land on which the primary residence is situated apply.

### **Section 246 of Tax Administration Act No. 28 of 2011: Public Officer**

- A new question has been added to the form wizard to confirm that the person appointed as a trustee has not been disqualified.

### **Section 18A of Income Tax Act 58 of 1962: Donations**

- The questions about donations have been updated to allow the taxpayer to enter up to 20 approved organisations to which the Trust donates.

### **Section 93 Reduced Assessment: Request for Reduced Assessment (RRA02)**

- A new functionality has been introduced to manage requests for reduced assessments for Trusts under s93 of the Tax Administration Act (TAA). To request a reduced assessment, taxpayers should complete the Request for Reduced Assessment (RRA02) form. A case will then be created to assess if the taxpayer qualifies for a reduced assessment under s93(1)(d) or s93(1)(e).

### **Beneficial Ownership**

- The Beneficial Ownership section has been clarified to help taxpayers complete the information for unnamed beneficiaries.

### **Other Enhancements to the Trust Return (ITR12T)**

- Previously populated Beneficial Ownership information will be pre-populated from the Beneficial Ownership data provided in the 2023 year of assessment. The submitter must confirm that the information is correct, even if no amendments were made.

### **Managing Tax Compliance Matters**

Trusts are included in the definition of a “person” in terms of the Income Tax Act, 1962 (ITA). Therefore, the representative taxpayer (trustee/s) must register all Trusts for income tax.

The representative taxpayer (the trustee/s of a Trust) or the appointed tax practitioner **MUST** file an ITR12T every year in terms of the annual notice and during the Trust return-filing period.

The filing period for Trusts, whether provisional or non-provisional, **opens on 16 September 2024 and closes on 20 January 2025**. In their Income Tax Returns, the beneficiaries and donors of a Trust (where deeming provisions apply) must declare their income that was vested in a beneficiary by the Trust during the year of assessment.

From the 2023 year of assessment, all mandatory supporting documents must be uploaded and submitted with the Trust’s tax return. This includes the Trust instrument, Annual

Financial Statements, and resolutions/minutes of trustee meetings. The requirements will vary according to the Trust type. (Use the drop-down menu on SARS eFiling to check the required supporting documents.)

### **We Have Made It Easier for You**

- 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 (wizard) of the return.
- To register a new Trust for income tax and submit supporting documents, use our online platforms by accessing this link: [SARS Online Trust Registration](#).

### **More Information**

For further information on the changes introduced, visit the Businesses and Employers page on the SARS website: at [www.sars.gov.za](http://www.sars.gov.za).

**Sincerely**

**THE SOUTH AFRICAN REVENUE SERVICE**

**September 2024**