



Fairness **for all**

The case below describes how SARS delayed payment of a refund to a taxpayer, even after it had allowed an objection to the assessment raised, by repeatedly paying the refund and then recalling it immediately from the taxpayer's bank account.

Taxpayer's refund paid and recalled repeatedly

Background

What was the tax complaint?

The taxpayer submitted an income tax return for the 2018 tax year, resulting in a refund of approximately **R13 000.00**. Subsequently, SARS issued a verification letter requesting the taxpayer to submit supporting documents for the 2018 tax year. After considering the documents provided by the taxpayer, SARS raised an assessment to disallow tax credits, resulting in a tax debt due to SARS. After the taxpayer successfully disputed the assessment, SARS revised the assessment to reinstate the original refund.

Two months after the dispute was finalised and the assessment revised, the taxpayer complained to the OTO because they could still not access the refund.

Findings

Who was at fault?

The OTO found that on 10 separate instances over a two-week period, SARS had paid the refund into the taxpayer's bank account and then immediately recalled it again. The OTO could find no legal or reasonable basis for this action by SARS.

The OTO accepted the case on the basis that SARS incorrectly recalled the refund from the taxpayer's account.

Recommendations What should happen?

The OTO accepted the complaint as falling within its mandate and recommended that SARS pay the taxpayer the income tax refund for the 2018 tax year without further delays. Alternatively, SARS should provide valid reasons for refusing to do so.

Resolution What was the outcome?

After the Tax Ombud's intervention, SARS eventually paid the refund to the taxpayer and did not recall it again.



Conclusion - Important lesson

Sometimes, lodging a formal complaint with the Office of the Tax Ombud is the only solution for taxpayers to have their tax affairs fairly addressed and the refund due to them paid. It is also important to follow the correct process to ensure that your complaint is addressed.

NOTE: TAXPAYER'S DETAILS WITHHELD FOR CONFIDENTIALITY REASONS.

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