

11 February 2019

## **CORPORATE INCOME TAX RETURNS**

Business owners, Shareholders, Directors, Financial Directors, Financial Managers and Accountants should keep the following in mind as per Section 25 of the Tax Administration Act:

Income tax returns must be submitted within the following periods:

- (a) in the case of any company, within 12 months from the date on which its financial year ends.
- (b) must in the case of a company, be submitted electronically by using the SARS e-Filing platform .

In relation to companies only (for this article);

The following persons must submit an income tax return:

- (a) every company or other juristic person, which is a resident that
- (b) derived gross income of more than R1 000;
- (c) held assets with a cost of more than R1 000 or had liabilities of more than R1 000 at any time during the 2018 year of assessment;
- (d) derived any capital gain or capital loss of more than R1 000 from the disposal of an asset to which the Eighth Schedule of the Income Tax Act applies; or
- (e) had taxable income, an assessed loss or an assessed capital loss;
- (f) every trust which is a resident;
- (g) every company, trust or other juristic person, which is not a resident—
- (h) which carried on a trade through a permanent establishment in the Republic;
- (i) which derived income from a source in the Republic; or
- (j) which derived any capital gain or capital loss from the disposal of an asset to which the Eighth Schedule to the Income Tax Act applies;
- (k) every company incorporated, established or formed in the Republic, but which is not a resident as a result of the application of any agreement entered into with the Government of any other country for the avoidance of double taxation;

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In addition to annual returns, every company is required to submit provisional tax returns.

The first of these returns is required to be submitted six months from the start of the year, and the second at year end, and must contain an estimate of the total taxable income earned or to be earned for that period.

- First payment – within six months from the beginning of the year of assessment.
- Second payment – on or before the last day of the year of assessment.
- Third payment – seven months after the year of assessment for taxpayers with February year-end and six months after year of assessment for all other cases.

Corporate Income Tax is payable at a rate of 28%.

Corporate Income Tax is applicable (but not limited) to the following companies which are liable under the Income Tax Act, 1962 for the payment of tax on all income received by or accrued to them within a financial year:

- Listed public companies
- Unlisted public companies
- Private Companies
- Close Corporations
- Co-operatives
- Collective Investment Schemes
- Small Business Corporation (s12E)
- Body Corporates
- Share Block Companies
- Dormant Companies
- Public Benefit Companies.

From an individual's perspective, your personal income tax season 2019 starts on 01 July 2019. Keep your records in order to make the e-filing process quick and easy.

Contact Fincor Professional Accountants at your earliest convenience for more information related to tax compliance and returns.