



**THE NEW STEPS IN THE PROCESS FOR TAX RETURN RETRIEVAL
AND AUTO-ASSESSMENT**

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Before we get into the actual steps we need to understand the new procedure introduced by SARS in regard to **auto assessment** and how it's going to affect your tax practice.

From a tax back office system – Acffin or competitor point of view.

SARS have been working on getting **3rd parties** like banks, insurance companies and medical aids and all companies to upload their data so that tax returns are pre-populated with the data. Owing to this SARS now has sufficient data to generate an assessment automatically in many cases.

Taxpayers are now getting **SMS messages** indicating that they have been chosen for auto assessment with no indication coming to the Tax Practitioner other than if the taxpayer client calls the Tax Practitioner. The SMS indicates the amount owing or refund due which has a minus in front of the number.

The first step in doing any tax return has always been the **retrieval process** where we first of all request retrieval of the tax return we wish to process via Sky Tax. For the 2020 season in regard to ITR12's there is a **change in the retrieval process** as some taxpayers who have more simple tax returns and fall within the rules SARS has set will now receive an **auto assessment**. The taxpayer either accepts or rejects the auto assessment, by rejecting the auto assessment the taxpayer has the choice of modifying the tax return and adding to it or correcting it. Currently at this stage the acceptance or rejection has to take place on the e-Filing system and not in any back office system.

The Tax Practitioner will be able to do the **accept or edit** (reject) on the Tax Practitioner profile. We assume later on before September that this whole process will be done in the tax back office system.

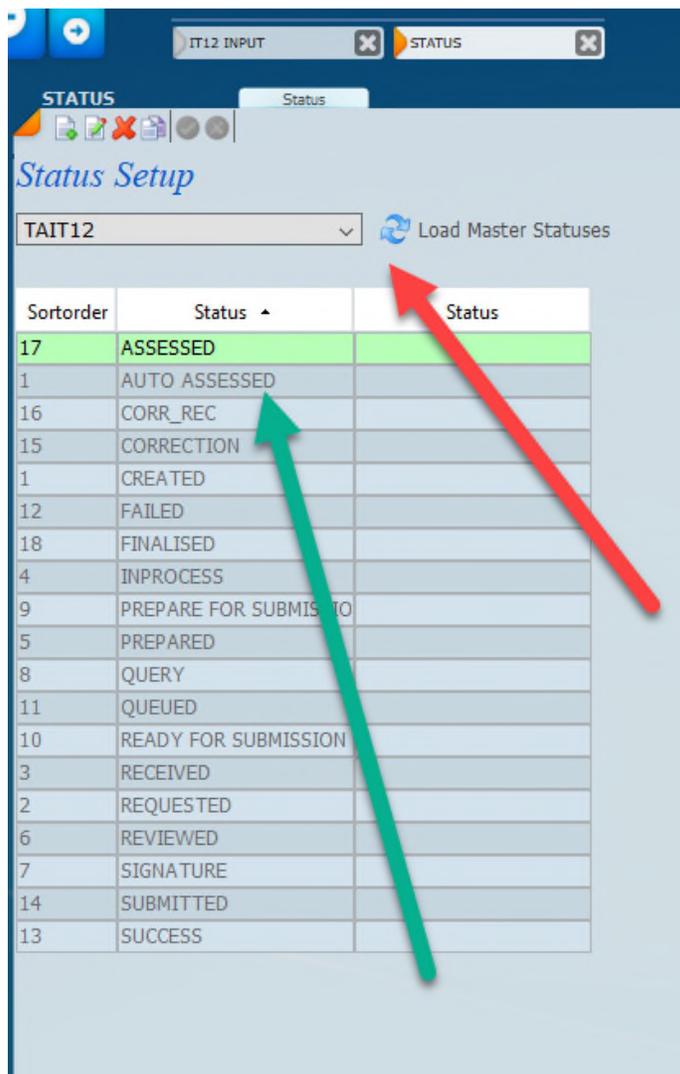
At the time of writing we are not sure who will receive an auto assessment as SARS has not indicated the exact rules on who gets an auto assessment therefore we will have to see how this goes when we start the process of retrieval of the returns. As

an update it does appear that all the wrong taxpayers are getting auto assessments and may be random.

No travelling allowances are calculated or out of pocket medical expenses or any other expenses that the taxpayer would be entitled to. There is no way to see a tax return on the profile. Owing to the above facts the Tax Practitioner must reject the auto assessment and complete the tax return properly.

Sky Tax can now tell you which clients have been auto-assessed.

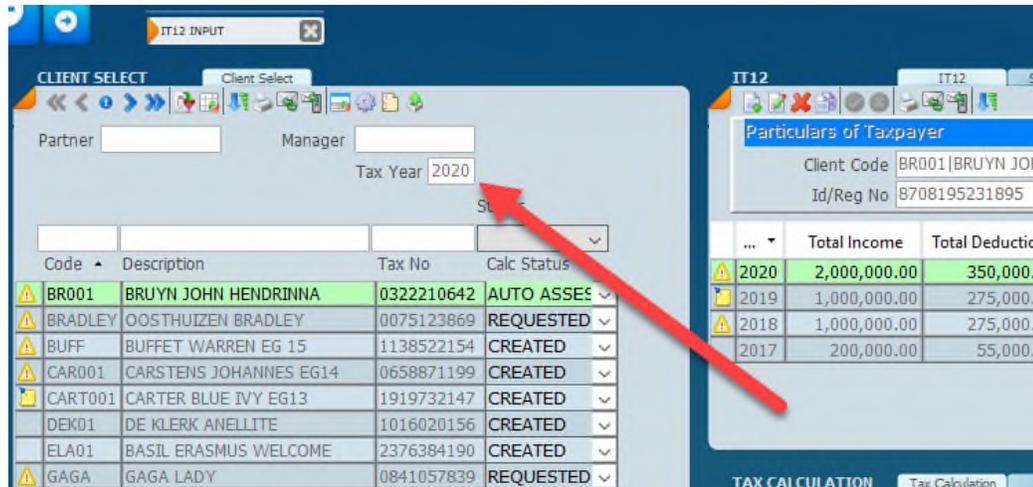
1. The **first step** is that you start by updating the status in Sky Tax to ensure that you have all the new status auto assessed.



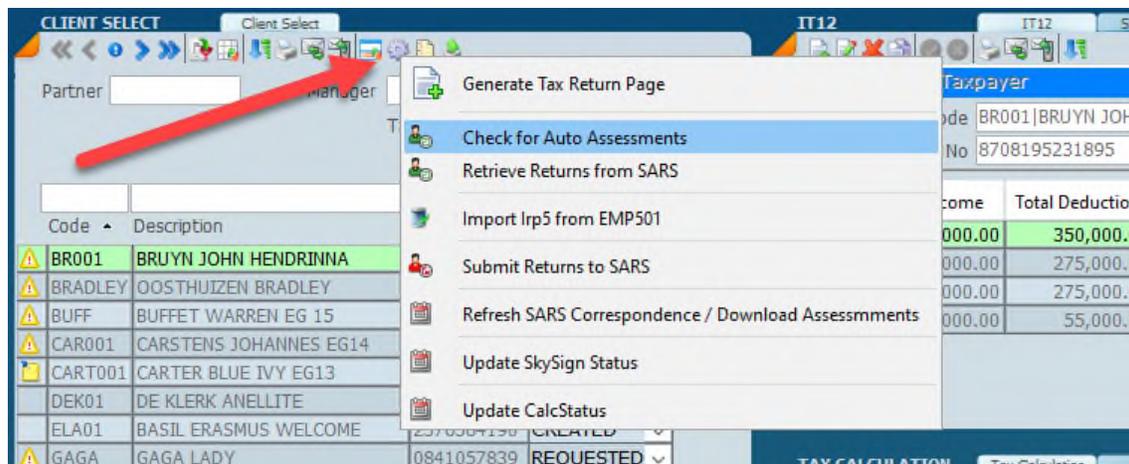
Go to status setup and set the status to TAIT12 by clicking on the down arrow and click on the Master Statuses refresh button. A new status called **AUTO ASSESSED** will load.

If you have created other statuses enter **AUTO ASSESSED** manually.

2. Select the **ITR12 input screen** and make sure you have selected the 2020 year.

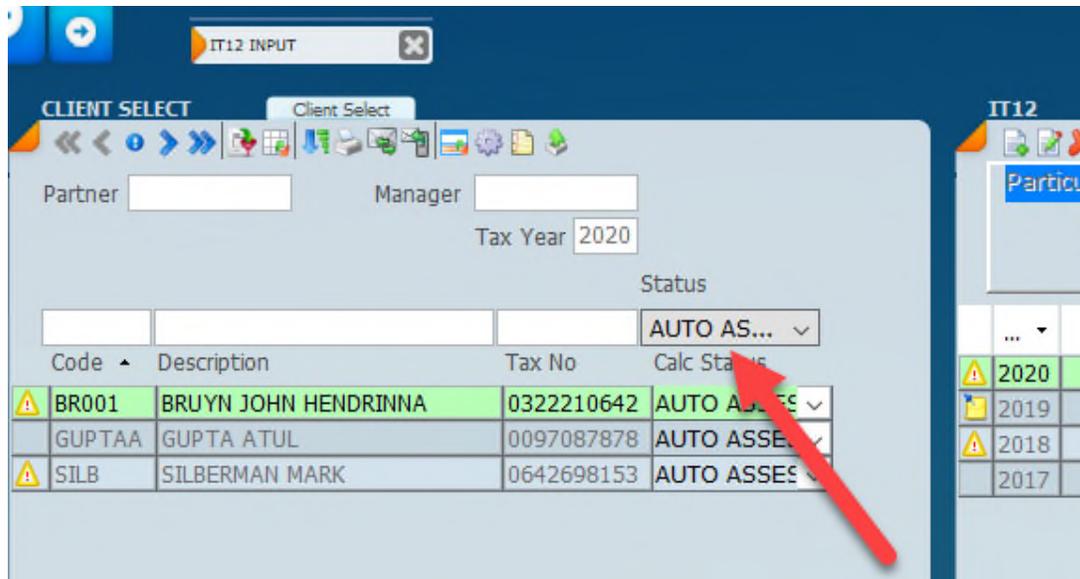


3. Click on the function key and select **Check For Auto Assessments** as indicated below.

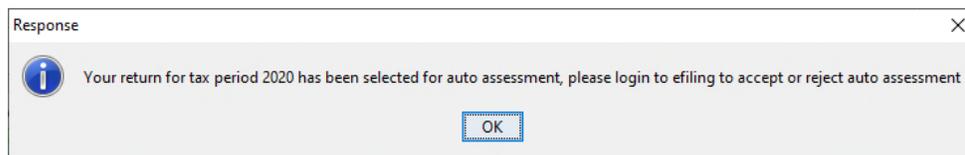


The system will connect to SARS and determine the status of the tax return and change the taxpayer status on Sky to **Auto Assessed**.

- Once the system has finished processing set the status to AUTO ASSESSED and the system will list all the taxpayers that have been AUTO ASSESSED.



If at this point you were to retrieve any taxpayer, the return will not come down. If you were to click on the **response** button the following **message** will appear, which will give you an indication of which way SARS is going on the tax return.



- Where there is an auto assessment the tax practitioner must log into their tax practitioner e-filing profile and retrieve the tax return. On retrieval you will be presented with a banner to **accept or edit** the auto assessment. The return will come down for editing in the Tax Practitioners profile if **edit** is selected and if **accept** is selected an assessment will be issued in the normal manner.
- The problem with this is there does not appear to be a return at this stage.
- In the Sky Tax system if the auto assessment is **accepted** SARS will issue an assessment which on request will come down into the back-office system

in the normal manner.

8. If you selected **Edit** to the auto assessment in the Tax Practitioner profile the return will come down. In the Sky Tax system retrieve the return which will come down instantly for editing and completion.

Where there is **no auto assessment** the ITR12 return will come down into the Sky Tax or your back office system as it normally does after 24 hours.

If the auto-assessment is rejected by clicking on edit the ITR12 return will come down into the system for completion and the tax practitioner may complete it in the normal way.

Please note that it is our understanding that there will be a change to the ISV process (back office systems) that will allow back office systems to handle acceptance and rejection of auto assessment automatically, however this will be closer to 1st September, therefore we will have to wait and see.