

## NEED MORE HELP?

- Call 0860 12 12 18
- Visit [www.sars.gov.za](http://www.sars.gov.za) or visit any SARS branch

### INTRODUCTION

This guide is designed to help you to accurately and properly complete your Personal Income Tax return (IT12S). A comprehensive guide is available on the SARS website ([www.sars.gov.za](http://www.sars.gov.za)). If you need help to complete your return visit any SARS branch or look out in your local newspapers for details of where and when our staff will be visiting shopping centres, community halls and other public places in your area.

### YOU MUST COMPLETE AND SUBMIT THE RETURN BY 31 OCTOBER 2007

### COMPLETING THE RETURN

Use a black or a blue pen to complete the return and keep your writing within the spaces provided. Do NOT strike through the squares that do not apply.

Please do not use correcting fluid if you have made a mistake. We also request that you do not fold your return as it will delay the process of assessing your return.

You MUST complete all relevant parts of the return. Any incomplete return will be sent back to you and will be marked as "not submitted" until you send it in fully completed. This could result in penalties for the late submission of your return.

The following fields on the return are mandatory:

- Signature: The tax return is a legally binding declaration which you make to identify all the income, tax and deductions for the year. Without your signature it is worthless;
- ID number or Passport number or Date of Birth (at least one must be completed);
- Personal particulars (Name, address and contact details);
- Banking details;
- Income received (if you received no income during the year you must still complete this section by entering a zero [0]).

### GETTING STARTED

To complete the return you will need the following documentation:

- Details of your banking particulars;
- Your IRP5 and/or IT3(a) certificates;
- Certificates you received for local interest income you earned (if applicable);
- Details of medical expenses and claims (if applicable);
- Information relating to retirement annuities (if applicable);
- Information relating to business travel expenses (if you get a travel allowance);
- Any other documentation relating to income you received or deductions you want to claim.

Please note that although you will be using the documentation to complete your return NONE of these documents must be attached to your return when you submit it to SARS. You will however be required to keep ALL relevant documents for a period of five years in case SARS calls for them.

# South African Revenue Service

## How to fill in your IT12S

### DO YOU HAVE THE RIGHT RETURN?

To make it easier for you, this year SARS has introduced two new income tax returns for individuals.

The IT12S is the standard income tax return for individuals. It is intended for completion by employees who earn a salary and travel allowances and deductions such as medical, and pension. The form provides for taxpayers to:

- Indicate all their income earned from salaries and allowances;
- Indicate all the tax they paid during the year as reflected on their IRP5/IT3(a) (up to three IRP5s and IT3(a)'s);
- Indicate their medical expenses during the year;
- Indicate their pension or retirement annuity fund contributions during the year;
- Provide the information for the calculation of the travel expenditure. Should you choose that the calculation be made using actual expenditure the relevant information will have to be completed. Alternatively the fixed scale of costs will be applied.

The IT12C is the complex income tax return for individuals who have income such as rental income, foreign income, business income farming income and capital gain/losses. In addition to the same fields as the IT12S as discussed above, the form also provides for taxpayers to disclose any other income that the IT12S does not cater for.

### IMPORTANT:

If you have received income or want to claim deductions which are not provided for on the IT12S form, you must complete an IT12C form. You can obtain one from [www.sarsefiling.co.za](http://www.sarsefiling.co.za) or from any SARS branch.

### Personal details

- Verify the correctness of the printed details and if they are incorrect use the white blocks to the right of the printed details to fill in the correct information.
- Marital status as at 28 February 2007: Mark the applicable "y" or "n" block with an X and if married indicate whether you are married in community of property or out of community of property with an X

### Address information

- Verify the correctness of the printed details and if they are incorrect use the white blocks to the right of the printed details to fill in the correct information.

### Work address

- Please complete the work address details of your current employer.
- If you had more than one job for the period 1 March 2006 to 28 February 2007, fill in the address details of your main employer - that could be where you worked the most hours. If you are no longer employed leave this field blank.

### Bank account information

- Verify the correctness of the printed details and if they are incorrect use the white blocks to the right of the printed details to fill in the correct information.
- If no details are printed in this section you need to complete all the applicable fields with the relevant details.

Electronic transfers of refunds are effected using the branch number and not the name of the bank. You are therefore not required to fill in the name of the branch at which you transact.

**Note:** SARS only issues cheques in exceptional circumstances so you must provide banking details in order to receive a refund. No refund will be paid into the bank account of a third party or agent.

### Preferred means of contact

Indicate your preferred means of contact by marking the applicable block by using the numbers 1 to 5. The number 1 indicates the most preferred option whilst 5 indicates the least preferred option.

### Tax practitioner information

If you make use of a tax practitioner to complete your return this information should be completed by the tax practitioner.

### INCOME RECEIVED

INCOME SECTION of an IRP5 / IT3(a) certificate

CODE/ KODE	DESCRIPTION / BESKRYWING	RF IND / UFD IND	AMOUNT/ BEDRAG
3601	Salary	Y	100,000
3605	Annual payment	N	20,000
3713	Other allowances - taxable	N	3,000
3705	Subsistence allowance - non taxable	N	1,000

The code in the first column reflects the source of your income and the last column reflects the amount you have received. These are the only two columns that you will use to complete this section of the return. If you are only in receipt of one IRP5 you will complete the amount and then the relevant source code in the section of the return as illustrated below.

INCOME RECEIVED	
Complete below the SUM of all your income sources as shown on the IRP5 / IT3(a) certificates (grouped per source codes)	
Amount (Rands only)	Source Code (IRP5/IT3(a))
1 0 0 0 0 0	3 6 0 1
2 0 0 0 0 0	3 6 0 5
3 0 0 0 0 0	3 7 1 3
1 0 0 0 0 0	3 7 0 5

If you received more than one IRP5 you must add the amounts from each IRP5 with the same source code together as illustrated below:

### IRP5 Certificate from Employer A:

INCOME SOURCES

CODE/ KODE	DESCRIPTION / BESKRYWING	RF IND / UFD IND	AMOUNT/ BEDRAG
3601	Salary	Y	56,000
3605	Annual payment	N	5,000

3601 - This amount must be added to the R100 000 reflected on the IRP5 from employer B

3605 - This amount must be added to the R20 000 reflected on the IRP5 from employer B

### IRP5 Certificate from employer B:

INCOME SOURCES

CODE/ KODE	DESCRIPTION / BESKRYWING	RF IND / UFD IND	AMOUNT/ BEDRAG
3601	Salary	Y	100,000
3605	Annual payment	N	20,000
3701	Travel allowance	N	40,000
3713	Other allowances - taxable	N	3,000

3601 - This amount must be added to the R56 000 reflected on the IRP5 from employer A

3605 - This amount must be added to the R5 000 reflected on the IRP5 from employer A

Your return will therefore be filled in as shown below:

INCOME RECEIVED	
Complete below the SUM of all your income sources as shown on the IRP5 / IT3(a) certificates (grouped per source codes)	
Amount (Rands only)	Source Code (IRP5/IT3(a))
1 5 6 0 0 0	3 6 0 1
2 5 0 0 0 0	3 6 0 5
3 0 0 0 0 0	3 7 1 3
4 0 0 0 0 0	3 7 0 1

56 000 + 100 000  
5 000 + 20 000  
These codes only appear on one IRP5

The same procedure must be followed if you are in receipt of three IRP5/IT3(a) certificates. Please note that if you received more than three certificates you must complete an IT12C return.

### Gross retirement funding income

The amounts can be found in the gross remuneration section of the IRP5 certificate.

Use the amount reflected next to the code 3697 to fill in this field - if you have received more than one IRP5/IT3(a) certificate all the amounts reflected next to the code 3697 on the certificates must be added together and the total must be reflected on the return.

If your IRP5 does not reflect an amount next to the code 3697 you need to check whether any of the amounts are indicated as "y" in the RF Ind column. If so, you need to add together all these amounts and enter the total on the return as code 3697.

### Local Interest

Gather all the certificates received from banks or other financial institutions where you have any money invested. Determine whether these certificates reflect any foreign interest or foreign dividends as income. If so, you must complete an IT12C return.

If you have earned local interest then you must proceed as follows:

#### If you are married in community of property

Add together the amounts reflected as local interest on the certificates received by both yourself and your spouse. You must fill in the total of the gross amounts of interest received by both you and your spouse - the exempt portion will be calculated by SARS.

#### If you are not married or married out of community of property

Add together the amounts reflected as local interest on the certificates you received.

Fill in the total of the gross amounts of interest - the exempt portion will be calculated by SARS.

## Main Income Source Code

Using the table below, select the sector in the economy from which your main income is derived. Enter the relevant last two digits.

	Description
3534	Agencies and other services
3501	Agriculture, forestry and fishing
3511	Bricks, ceramics, glass cement and similar products
3523	Catering and accommodation
3509	Chemicals and chemical, rubber and plastic products
3505	Clothing and footwear
3510	Coal and petroleum goods
3520	Construction
3527	Educational services
3519	Electricity, gas and water
3525	Financing, insurance, real estate and business services
3503	Food drink and tobacco
3506	Leather, leather goods and fur (excluding footwear and clothing)
3514	Machinery and related items
3529	Medical, dental other health and veterinary services
3535	Members of CC/Director of company
3512	Metal
3513	Metal products (except machinery and equipment)
3502	Mining, stone and quarrying work
3518	Other manufacturing industries
3508	Paper, printing and publishing
3532	Personal and household services
3526	Public administration
3531	Recreational and cultural services
3528	Research and scientific institutes
3522	Retail trade
3517	Scientific, optical and similar equipment
3530	Social and related community services
3533	Specialised repair services
3504	Textiles
3516	Transport equipment (except vehicle, part and accessories)
3524	Transport storage and communication
3515	Vehicle, parts and accessories
3521	Wholesale trade
3507	Wood, wood products and furniture

## PAYE & SITE paid

**Note: This is the only section in the return where RANDES AND CENTS are used**

To complete this section you again need your IRP5/IT3(a) certificates. This form allows for three certificates and is therefore divided into three sections.

The following information is required to fill in this section of the return:

- If you only received one IRP5 or IT3(a) certificate you will only have to complete the first section. You will be required to fill in the IRP5/IT3(a) certificate number which is located in the top left hand corner of the certificate. If you were issued with a duplicate certificate you will find that the certificate carries two certificate numbers. The number that you must fill in is the one listed next to the original certificate number.
- The PAYE reference number is located directly below the certificate number.
- The gross income is located next to the code 3699 in the gross remuneration section.

The tax calculation information section on the certificate reflects the "periods in year" as well as "periods worked". If the information is not available the fields must be left blank on the return.

- The amounts next to the codes 4101 and 4102 must be filled in separately in the boxes provided for SITE – code 4101 and PAYE – code 4102 on the return. If you received an IT3(a) certificate there will be no deduction for SITE or PAYE on the certificate. In this case the applicable fields on the return must be left blank.

## MEDICAL DEDUCTIONS

**State the number of members and dependants for whom contributions were made.**

The information required refers to the contributions that you paid to the medical fund as at 28 February 2007, in respect of yourself and the other persons (dependants) that are covered by the fund. This information is usually reflected on the medical statement that you received from your medical fund.

### Did the number change during the year of assessment?

Mark the 'Yes' or 'No' block with an "X".

### If yes, state the total number of members and dependants per month.

Provision has been made for all twelve months of the year of assessment starting with "M" for March as the year of assessment starts on 1 March 2006.

### State your medical fund contributions

- Contributions paid by your employer on your behalf will be reflected next to the code 4005 on the IRP5.
- Contributions paid by yourself i.e. via your cheque account or debit order will be reflected on your medical statement.

### State your qualifying medical expenses not recovered from the medical fund

If you belong to a medical fund you will find the amount for the medical expenses that you have not recovered from the medical fund on the medical statement. This is the amount to be used together with the amount of the claims that you did not submit to the Medical fund due to the fact that you have exceeded the limits in respect of certain procedures. The amounts in respect of special dependants do not qualify as a deduction and must not be filled in on your return.

For more information refer to the comprehensive guide available on the SARS website [www.sars.gov.za](http://www.sars.gov.za).

### State your employer's contributions

This information will be reflected next to the code 4474 on your IRP5/IT3(a) certificate.

### Physical disability expenses (not recovered from the Medical Fund)

If you, your spouse or child have a physical disability the amount of expenditure relating to the physical disability must be inserted here providing it was not covered by the Medical Fund.

### Handicapped expenses

A handicapped person refers to a blind person, a deaf person, or a person who, as a result of a permanent physical disability, requires a wheelchair, calliper or crutch, to assist him or her to move from one place to another, or a person who requires an artificial limb. It also includes a person who suffers a mental illness as defined in the Mental Health Act.

**Note:** Please refer to the comprehensive guide available on the SARS website [www.sars.gov.za](http://www.sars.gov.za) to determine what supporting documentation must be retained for a period of five years to substantiate your claim.

## RETIREMENT CONTRIBUTIONS

### State your Pension Fund Contributions

This information is on your IRP5 /IT3(a) certificate under the "Deduction" section.

**Current** - Use the amount next to code 4001 on your certificate.

**Arrears** - Use the amount next to code 4002 on your certificate.

**Non-Statutory Forces Pension Arrears** - Use the amount next to code 4026 on your certificate.

### State your Retirement Annuity Contributions

#### Current and arrear retirement annuity contributions

Use the certificate you received from the institution to which you made the contributions to complete the return. Only contributions you paid in respect of a policy that you yourself will benefit from can be claimed.

## OTHER QUALIFYING DEDUCTIONS

Note: Please refer to the comprehensive guide available on the SARS website to determine what supporting documentation must be retained for a period of five years to substantiate your claim.

In terms of the Income Tax Act only certain deductions are allowable if you earn a salary. Some of these deductions such as pension and retirement annuity contributions have already been addressed in this brochure. The remaining deductions that qualify, providing expenses were incurred, are the following:

### Subsistence allowance

If you were in receipt of a subsistence allowance which is reflected next to source code 3704 on your IRP5/IT3(a) certificate, enter the amount calculated next to the code 4017 on your return.

### Donations to approved Section 18A Public Benefit Organisations

Use the amount reflected on the receipt you received. Remember the amount will only qualify as a deduction if the receipt states that it is issued in terms of Section 18A of the Income Tax Act.

### Income protection insurance contributions

If you made any contributions to protect your income you should receive a certificate from the institution to which the contributions were made. Enter the amount next to the code 4018 on your return.

### Depreciation

If you own an asset, such as a computer, and you are obliged to use this asset regularly to perform tasks relating to your job, you will be entitled to claim depreciation on the asset. The amount calculated must be filled in next to the code 4027 on your return.

### Home office expenses

If you are employed, working for a salary and a condition of your employment is to bear the cost of maintaining a home office as your central business location, you may qualify for a deduction in terms of your home office.

If you believe you are entitled to claim expenditure for a home office the following formula must be used when calculating the amount to be deducted:

$A/B \times \text{Total costs}$ , where

- A = the area in square metres of the area used for work;
- B = The total area in square metres (including any outbuildings and the area used for work) of the residence;
- Total costs = the total costs incurred in the acquisition and upkeep of the property (excluding expenses of a capital nature).

### Other deductions

- You may claim legal expenses incurred in respect of any claim that is directly related to your salary package, such as a CCMA claim,

which are included as income as a result of a court order or out of court settlement in respect of labour disputes.

- Bad debts and provision for bad debts.
- Reduction of the fringe benefit for the "use of a motor vehicle".
- Public office holder expenditure.

Should you require further detail contact your local SARS office or access the comprehensive guide available on the SARS website [www.sars.gov.za](http://www.sars.gov.za).

## TRAVELLING EXPENSES AGAINST A TRAVEL ALLOWANCE

You may only claim for travel expenses if your IRP5/IT3(a) certificate indicates that you received a travel allowance. A travel allowance on your certificate will be indicated by source code 3701 or 3702. If you have used more than two vehicles for the period 1 March 2006 to 28 February 2007 you need to complete an IT12C return.

### Did you use a log book?

You have the choice to claim for travel expenses based on actual kilometres travelled or by using the deeming provisions provided for in the Income Tax Act. You must be in possession of a properly completed logbook in order to use actual kilometres. If you do not make a selection by marking the "yes" or "no" block, it will be assumed that the deeming provisions must be applied. In terms of the deeming provisions the first 18 000 kilometres travelled will be deemed private kilometres travelled. In calculating the travel claim the total kilometres travelled will be limited to 32 000.

Please note that the minimum information required for a log book is the following:

- Date on which the travel took place;
- The destination to and from;
- The kilometres travelled ;
- The reason for the travel.

### Calculation of the travel claim

To enable SARS to calculate your travel claim it is imperative that you complete the following information:

- Start date and closing date;
- Starting and closing kilometres (odometer readings);
- The business kilometres travelled;
- The cost price or cash value of the vehicle;
- The vehicle registration number.

**Please note that without this information SARS will not be in a position to calculate the travel claim and will therefore not consider any travel claim.**

Travel expenses against a travel allowance can be claimed according to one of the following methods:

#### (i) Where accurate records of expenses have been kept

Complete the applicable line items under the sub heading "Where Records of Actual Expenditure were kept" in the return.

#### (ii) Where no records of expenses have been kept

The cost of scale table will be used to calculate your claim if you did not complete the line items relating to actual expenditure.

## CHOOSE THE WAY IN WHICH YOU WANT TO SUBMIT YOUR RETURN TO SARS

### Electronically

By registering as an eFiler on [www.sarsefiling.co.za](http://www.sarsefiling.co.za) you will be able to receive, complete and submit your return electronically.

### Post

Using the envelope provided by SARS mail the completed and signed return to SARS.

Remember NOT to include any supporting documents.

### Drop off

All SARS branches have drop boxes where you can drop off your completed return.