

LOCKDOWN: DISPUTE PERIODS INTERRUPTION

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The arena of tax disputes is riddled with time-periods.

Example of some of the basic time-periods:

- An objection has to be filed within 30 business days (but this period can be extended by 30 business days based on reasonable grounds or the objection can be filed within three years from the assessment based on exceptional circumstances).
- SARS has to deliver a decision pertaining to the taxpayer's objection within 60 business days (subject to certain exceptions).
- An appeal must be delivered within 30 business days after SARS' notice of disallowance of the objection (or within certain extended periods).
- An ADR must be finalized within 90 business days.
- SARS has to deliver its 'Statement of grounds of assessment and opposing appeal' within 45 days.
- A taxpayer has to deliver its 'Statement of grounds of appeal' within 45 days.

The Tax Administration Act prescribes how certain time-periods can be extended and in terms of the Dispute Rules other time-periods can be extended by agreement.

The Dispute Rules also provide that applications to the tax court or interlocutory applications relating to objections or appeals interrupt the prescribed time-periods.

An important feature of the Tax Administration Act is how and when an assessment or decision becomes final, for example:

- no objection has been made to an assessment,
- after the disallowance of an objection, no appeal has been filed,
- the dispute is settled, etc.

The lockdown period, i.e. from 23H59 on 26 March 2020 until 23H59 on 30 April 2020, interrupts the:

- dispute time periods, and
- finality of assessment or decisions.

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This is in terms of the Disaster Management Bill Relief Administration Bill, 2020.

The Memorandum of the Objects of this Bill explains that: *'the lockdown period will be regarded as dies non, i.e. a day that has no legal effect and which will not be counted for purposes of the calculation of the listed time periods. This is intended to provide individuals and businesses impacted by COVID-19 with additional time to comply with selected tax obligations or due dates that are affected by or fall within the lockdown period but does not extend to return filing or payments.'*

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