



South African Revenue Service

Dear Stakeholder

ENHANCEMENTS TO THE INCOME TAX RETURN FOR A TRUST (ITR12T)

As part of our commitment to maintain high levels of efficiency and compliance, enhancements to the Income Tax Return for Trusts will be implemented from 12 May 2017.

Changes to the ITR12T

The following are the critical changes made to the ITR12T:

- You will no longer be allowed to claim a foreign tax credit for services rendered in South Africa which was taxed outside South Africa. However, you will be able to claim a deduction from income for services rendered in South Africa which was taxed outside of the Republic. The ITR12T is updated to cater for repealed section 6quin fields.
- The Income Tax Act (section 11D) provides for a deduction in terms of Research and Development which is meant only for companies and has therefore been removed from the ITR12T.
- The enhancements to the ITR12T are an extension of those implemented during Tax Season 2016:
 - The Statement of Assets and Liabilities now distinguishes between Interest Bearing and Interest Free loan accounts.
 - The sections dealing with rental and farming income have also been enhanced.

Various other changes were made including changes to the:

- Rental Income declaration; and
- ITA34.

Please be aware that you will not be able to change or delete any IRP5 data that has been received from a third party and pre-populated on the return.

If you notice any incorrect pre-populated information on the return, you are advised to contact the employer or service provider in order for them to rectify it as you will not be able to change or delete any IRP5 data received from a third party.

Pre-populated information received from a third party may have been changed or updated and in order for this information to pre-populate, you will have to click 'Refresh' to continue.

To view an example of the new form, please visit the SARS website www.sars.gov.za, and for help in completing the ITR12T via eFiling, please view the guide: "*Completing the ITR12T.*"

Correct taxpayer information

It is crucial that SARS has the correct and up-to-date taxpayer information.

When completing the ITR12T return, the first question under “Trust Details” is **‘Have the banking, contact and trustee details of the trust been verified and confirmed as correct?’**

If you answer **‘NO’** to this question:

- You will not be able to submit the ITR12T return until these details of the trust have been verified and confirmed as correct.

The existing taxpayer information on eFiling can be viewed by clicking **‘Legal Entity Profile’**. If you have power of attorney over the trust, you can also visit your nearest SARS branch if you need to update details.

IMPORTANT: While completing the ITR12T please click **‘Save’** regularly so that you don’t lose any information you have already captured in the event that SARS eFiling times-out. Please note that the form does not automatically save.

For more information, please visit the SARS website www.sars.gov.za where you can access the *“Step-by-Step Guide to complete your ITR12T via eFiling”* and the *“Comprehensive Guide to the ITR12T for Trusts”*.

Please remember that we **no longer** accept Trust returns (ITR12T) via post.

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

May 2017