

Sars initiates monthly tax-certificate reporting

The South African Revenue Service (Sars) recently published its requirements for monthly tax-certificate reporting, in support of the Sars personal income tax (PIT) modernisation project.



Source: [Pexels](#)

The modernisation project is an ambitious initiative to modernise personal income tax collection, reducing non-compliance and providing taxpayers with a near real-time view of their tax obligations.

Employers will be required to submit tax certificate information monthly, as opposed to submitting twice a year. Over time, the need for employer PAYE annual reconciliation is expected to fall away, as well as the requirement for most taxpayers to file personal income tax returns. Sars is considering various methods to refine the PAYE calculation, and to apply monthly employment tax checks.

For the medium term, various strategies are currently being discussed for an effective tax rate.

The first phase of this new approach to tax administration is expected to take effect from the 2025/6 tax year. The first step will be for employers to submit monthly tax-certificate information to Sars from March 2025.

Furthermore, Sars is considering direct channels such as application programming interfaces (APIs) to enable a more automated, real-time approach to filing. It will also continue to support the existing indirect channels, such as e@syFile and

eFiling.

Streamlining payroll administration

Says Yolandi Esterhuizen, director of product compliance at Sage Africa & Middle East: “As the leader in accounting, financial, HR, and payroll technology for small and mid-sized businesses, Sage is enthusiastic about the potential of this project to streamline payroll administration and the part that technology will play in it.

“The modernisation project, and particularly the submission of monthly tax-certificate information, is potentially the most significant change in how Sars administers payroll tax since the introduction of e@syFile.

“It will considerably benefit employers and employees in the longer term, although the changeover could be complex at first. We will update our customers when we learn more information from Sars, and we stand ready to support them through the adjustment.”

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