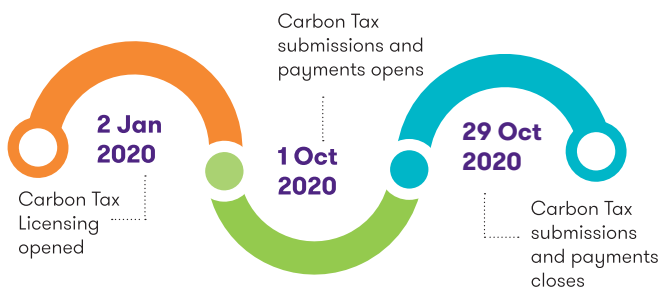




# Carbon Tax: Submissions, payments and audit requirements

## Are you ready for Carbon Tax Submissions and payments?”

Carbon Tax 2019 return submissions and payments opened 1 October 2020 and the submissions and payments closes 29 October 2020.



Be alert as SARS Excise audit may perform a verification audit which is an important requirement to ensure the correctness of the declaration and payment made as well as allowances claimed.

There are 2 types of audits SARS excise may perform:

- Desk Audit
- Compliance audit

### Desk Audits

- Performed by the excise auditor on the submitted DA180/EXD180 account;
- To verify and confirm the mathematical correctness of the calculations made by the licensed entity as it pertains to the rebates claimed per the schedule 2 allowances provisions,
- To verify and confirm the correctness of all other deductions made as provided for in the Carbon Tax Act, 2019



- To request and verify the supporting documents required for the purposes of allowances, deductions and other information declared.
- In most cases to qualify for an allowance or deduction the licensed entity, must be in possession of an original certificate, official letter or document that permits such allowance or deduction and will be required to submit a copy of the original certificate, letter or document for audit purposes.
- To verify the final calculation of the total levy due.

### Compliance Audits

- Conducted at the premises of the taxpayer during which the excise auditor will perform verifications (on-site) of the supporting systems, documentation and procedures deployed by the licensed entity which informed the emission equivalents declared.
- To verify and confirm the integrity of the declared emission equivalents and the levy payment on the submitted excise account as it is reflected on the entity’s system, documentation and processes.

- The licensed entity will always be informed prior to the performance of such audits. This will be by means of a letter requesting the availability of the emission facility documentation, systems, and procedures and for the presence of a senior official representing the License Entity will be issued to the licence entity.

### **For consideration**

- a) Ensure that the calculations pertaining to the rebates claimed per Schedule 2 allowance provision are mathematically accurate.
- b) Ensure all other deductions are correct as provided for in Carbon Tax Act, 2019.
- c) Ensure you have all necessary supporting documents required for the purpose of allowing deductions and other information declared.

d) Ensure you are in possession of any other document that permits such allowance or deduction.

e) Ensure you have proper systems and procedures in place.

### **Let's Help**

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