

# SARS auto-assessment warning for taxpayers in South Africa



Anyone who has been auto-assessed by SARS is being warned that they could face penalties, refund reversals, or even audits later in the year.

This is the warning from Nicci Courtney-Clarke, COO of TaxTim, who noted that any one of the more than 5.8 million South Africans who were auto-assessed by SARS in July could have unknowingly accepted incomplete or incorrect returns.

Courtney-Clarke explained that the auto-assessment system was introduced to make tax season easier by reducing the need for manual submissions.

For salaried taxpayers with straightforward financial situations, it usually works well. However, it might not work out the same for others.

This includes professionals such as freelancers, landlords, commission earners, or individuals with multiple sources of income.

Courtney-Clarke stressed that for these people, blindly accepting the SARS auto-assessment could mean serious financial consequences.

“It’s not that you purposefully do something wrong. It’s that SARS doesn’t always have your full story,” said Courtney-Clarke.

“If you don’t check and submit your own tax return for income and/or expenses which may be left out, you’re taking full responsibility for what’s missing, and SARS will hold you accountable.”

Courtney-Clarke warned that just because it looks official doesn’t mean it’s complete.

“If SARS didn’t receive your medical certificates in time, or your RA contributions from July weren’t on file yet, or you earned income from an online gig that a third party didn’t report, it won’t show up on the SARS system. But you’re still expected to declare it.”

The problem lies in how SARS builds its assessments. In July alone, the revenue service paid out more than R10.6 billion in refunds.

These were based only on preloaded data from third parties such as employers, banks, or investment platforms.

However, that data doesn’t always give a complete picture. Many taxpayers who rushed to accept their refunds may have failed to declare rental income, freelance payments, or capital gains.

Others may have missed out on legitimate deductions, such as out-of-pocket medical expenses, travel reimbursements, or contributions to retirement annuities made after SARS’ data cut-off date.

Issues faced by SARS this year could lead to complications.



Courtney-Clarke noted that this creates a dangerous situation for many taxpayers. “It might clear at first, and you might even get a refund.”

“However, if SARS identifies a discrepancy later, even a minor one, they can reverse your refund, issue a new assessment, or initiate an audit. That’s not something most people want to experience.”

What makes the issue particularly concerning this year is how seamless the process appears. Taxpayers who are auto-assessed receive an SMS or email saying they have an assessment (ITA34).

If they agree with it, no further action is needed. But if they disagree, they must actively request a return and complete their tax form. The smoothness of the process makes it easy to accept without checking properly, a mistake that can be costly.

This year, problems have been made worse by technical errors with tax directives affecting pension fund data.

A glitch in one particular fund’s reporting led to some retirement lump sum transfers being taxed incorrectly.

In some cases, this caused a false tax debt to appear on auto-assessments, showing lump sums as taxable when they shouldn’t have been.

TaxTim has already seen cases where people accepted their auto-assessment without changes, only to be contacted by SARS later requesting supporting documents or demanding repayment of additional tax.

While these issues can be corrected, they create unnecessary stress and delays, especially for taxpayers who may have already spent refunds that weren’t rightfully theirs.

The good news is that taxpayers are not stuck with their auto-assessment. Those who believe their return is incomplete have until 20 October 2025 to submit a corrected tax return.

Filing now with the correct information is the safest way to avoid penalties, interest, or disputes later on. Courtney-Clarke stressed that being proactive is key.