Top 10 tax tips

Although the tax filing season for individual taxpayers is still some way off, getting your ducks (and documents!) in a row in the meantime can save a lot of time and effort when July 1, 2013 finally arrives. A number of legislative changes could have an impact on individual taxpayers in the 2013 tax year.

1. The 2013 year represents the first time the new Medical Aid Tax Credit system is applicable so taxpayers need not get alarmed if they don't see deductions, but tax credits against tax payable rather. Be sure to keep your medical aid certificate as well as all proof of payments and medical prescriptions for out of pocket medical expenses.

2. As soon as tax certificates arrive from your bank, investment house or charity, store them in a seperate folder marked 2013 tax season so when the time comes to file you know where everything is. These would be IT3b interest certificates, IT3c capital gain/loss certificates and donations exemption certificates.

3. If you are using a registered tax practitioner be sure to enquire whether they are registered with a controlling body such as the South African Institute of Chartered Accountants or the South African Institute of Taxpayers. Be sure to also check that your practitioner is allowed to perform the tax duties they are performing. The controlling body is regulating what a tax practitioner can and cannot do.

4. If you are receiving a travel allowance make sure to have kept a log book and keep copies in case the South African Revenue Service (SARS) asks you for proof of business travel.

5. If you have received any dividends during the tax year then your investment house will send out a certificate stating the gross amount and the amount after the 15% tax has been

withheld. Previously dividends had been exempt from tax, but as of this tax year they are subject to a withholding tax. You won't need to pay any further tax from the amount received in your bank account or on the dividend amount which gets reinvested, but this information will be needed when you file your tax return.

6. If you owned a property prior to 1 October 2001 and you sold that property in the tax year be sure to have the valuation certificate available in case SARS asks for it. This valuation will be used as part of the base cost to determine the Capital Gains Tax paid on the sale of the property.

7. If you earned income from a side business, remember to keep records of all incomes and business related expenses and include them in the "local business" section of your income tax return.

8. When completing your income tax return be sure to be very careful with the information you are including. Double check that all information is correct against any documents you have. SARS can penalise for errors they call, "failure to take due care" in completing one's return. The penalties can be up to 50% or even 100% of the tax effect of the error in some cases.

9. Insist that your employer provides you with your IRP5 before 1 July 2013 so you can compare this to the one submitted to SARS. Your IRP5 details your employment income and deductions as well as the PAYE paid. Employers have 2 months to submit these to SARS and should begin giving them to employees at the beginning of June.

10. Make sure the banking details that SARS has of yours are up to date. If they are not then you need to go into a SARS office and change these