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## PERSVERKLARING

*deur*

***dr. G. MARAIS LP, Adjunk-minister van Finansies***

**OOR DIE INSLUITING VAN DIE VOLLE WAARDE VAN TOEVALLINGS AAN DIE EINDE VAN 'N BELASTINGJAAR BY BRUTO INKOMSTE VIR INKOMSTEBELASTINGDOELEINDES**

Die omskrywing van "bruto inkomste" in artikel 1 van die Inkomstebelastingwet, 1962 (die Wet), sluit onder meer in bedrae "ontvang deur of toegeval aan" 'n belastingpligtige.

Die uitwerking van die uitspraak van die Appèlhof in die saak *Kommissaris van Binnelandse Inkomste teen People's Stores (Walvis Bay) (Edms.) Bpk.* wat op 22 Februarie 1990 gelewer is, is dat die bedrag wat by "bruto inkomste" ingesluit moet word ten opsigte van 'n reg om betaling in die toekoms te ontvang nie die volle waarde van die uitstaande bedrag is nie maar die teenswoordige waarde daarvan op die laaste dag van die jaar van aanslag.

Die Kommissaris van Binnelandse Inkomste se algemene heersende gebruik was om, as gevolg van praktiese probleme verbonde aan die bepaling van die teenswoordige waarde van bedrae wat in die toekoms betaalbaar is, die volle waarde van enige uitstaande balanse by inkomste in te sluit.

Hierdie praktyk is in die algemeen deur belastingpligtiges aanvaar en finansiële state is op hierdie grondslag opgestel. Aangesien die vasstelling van die teenswoordige waarde van 'n skuld wat in 'n toekomstige belastingjaar verskuldig is aan verskeie subjektiewe faktore onderworpe is, voldoen so 'n vasstelling nie aan die vereiste van sekerheid nie. Voorts bestaan daar onsekerheid of die verskil tussen die volle waarde en die teenswoordige waarde van so 'n skuld belas kan word in die jaar van betaling.

In die omstandighede word beoog om vanjaar konsepwetgewing by die Parlement in te dien waarvan die uitwerking sal wees dat:

(1) Die volle waarde van 'n skuld wat na die einde van 'n jaar van aanslag betaalbaar word, by "bruto inkomste" in die jaar van toevalling ingesluit word.

## PRESS RELEASE

*by*

***Dr G. MARAIS MP, Deputy Minister of Finance***

**IN REGARD TO THE INCLUSION OF THE FULL VALUE OF ACCRUALS AT THE END OF A TAX YEAR IN GROSS INCOME FOR INCOME TAX PURPOSES**

The definition of "gross income" in section 1 of the Income Tax Act, 1962 (the Act), includes *inter alia* amounts "received by or accrued to" a taxpayer.

The effect of the judgment of the Appeal Court in the case of *Commissioner for Inland Revenue versus People's Stores (Walvis Bay) (Pty) Ltd* which was delivered on 22 February 1990, is that the amount to be included in "gross income" in respect of a right to receive payment in the future is not the full value of the amount outstanding, but the present value thereof on the last day of the year of assessment.

Because of practical problems in determining the present value of amounts payable in the future, the Commissioner for Inland Revenue's generally prevailing practice, has been to include the full value of any outstanding balances in income.

This practice was generally accepted by taxpayers and financial statements were prepared on this basis. As the determination of the present value of a debt due in a subsequent year of assessment is dependent on a number of subjective factors, such a determination will not satisfy the requirement of certainty. Furthermore, some doubt exists as to whether the difference between full value and present value of such a debt could be taxed in the year of payment.

In the circumstances it is intended to submit draft legislation to Parliament this year which will have the effect that:

(1) The full value of a debt which becomes payable after the end of the year of assessment is included in "gross income" in the year of accrual.

(2) Waar 'n belastingpligtige voor of op die datum van hierdie persverklaring 'n inkomstebelastingopgawe ingedien het op die grondslag dat slegs die teenswoordige waarde van 'n skuld wat na die einde van die belastingjaar betaalbaar is, vir inkomstebelastingdoeleindes in berekening gebring is, sal alleenlik daardie waarde by "bruto inkomste" in die jaar van toevalling van die skuld ingesluit word.

(3) Ten opsigte van daardie gevalle waarna in (2) hierbo verwys word, die verskil tussen die volle waarde en teenswoordige waarde by "bruto inkomste" ingesluit sal word in die belastingjaar waarin betaling ontvang word of 'n belastingpligtige geregtig word om betaling te ontvang.

Daar word voorgestel dat die omskrywing van "bruto inkomste" in artikel 1 van die Wet gewysig word deur die byvoeging van die volgende voorbehoudsbepalings:

"Met dien verstande dat waar 'n belastingpligtige gedurende 'n jaar van aanslag op 'n bedrag geregtig geword het wat betaalbaar is op 'n datum wat na die laaste dag van bedoelde jaar val, word daar gedurende bedoelde jaar geag aan hom toe te geval het—

(a) indien die belastingpligtige voor of op 23 Mei 1990 'n opgawe van inkomste verstrek het wat opgemaak is op die grondslag dat die teenswoordige waarde van bedoelde bedrag hom gedurende bedoelde jaar toegeval het, die teenswoordige waarde van bedoelde bedrag; of

(b) in enige ander geval, bedoelde bedrag:

Met dien verstande voorts dat waar die bepalings van paragraaf (a) van die eerste voorbehoudsbepaling van toepassing is, word daar gedurende die jaar van aanslag waarin die belastingpligtige bedoelde bedrag ontvang of geregtig word om te ontvang, geag aan hom toe te geval het 'n som gelyk aan die verskil tussen bedoelde bedrag en bedoelde teenswoordige waarde.".

In die lig van die lang gevestigde praktyk van die Kommissaris in hierdie verband sal aanbeveel word dat die voorgestelde wysigings met ingang van 1 Julie 1962 (dit is die datum van inwerkingtreding van die Wet) in werking tree.

*Uitgereik deur:* Die Adjunk-minister van Finansies
KAAPSTAD.

*Navrae:* J. J. Louw.
*Tel.* (021) 45-2813.
*Datum:* 23 Mei 1990.

(2) Where, on or before the date of this press release, a taxpayer has submitted an income tax return on the basis that the present value of a debt which is payable after the end of the tax year is brought into account for income tax purposes, only such value will be included in "gross income" in the year of accrual of such debt.

(3) In respect of those cases to which reference is made in (2) above the difference between the full value and the present value of the debt shall however be included in "gross income" in the tax year in which payment is received or the taxpayer becomes entitled to receive payment.

It is accordingly proposed that the definition of "gross income" in section 1 of the Act be amended by the addition of the following proviso's:

"Provided that where during any year of assessment the taxpayer has become entitled to any amount which is payable on a date falling after the last day of such year, there shall be deemed to have accrued to him during such year—

(a) if the taxpayer has on or before 23 May 1990 submitted a return of income drawn on the basis that the present value of such amount has accrued to him during such year, the present value of such amount; or

(b) in any other case, such amount:

Provided further that where the provisions of paragraph (a) of the first proviso are applicable, there shall be deemed to have accrued to the taxpayer during the year of assessment in which he receives or becomes entitled to receive such amount, a sum equal to the difference between such amount, and the said present value.".

In the light of the long established practice in this regard it will be recommended that the suggested amendment be effective from 1 July 1962 (that is the date of commencement of the Act).

*Issued by:* The Deputy Minister of Finance
CAPE TOWN.

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*Date:* 23 May 1990.

## INHOUD



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