

The recent influx of tax demand notices in Botswana

In recent weeks, a number of taxpayers have received numerous written demand notices from BURS regarding outstanding tax payments, tax returns or similar matters. Some tax consultants have also received many sms alerts as another form of the same demand notices. What this tells the public is that BURS is pouncing on what belongs to it and hence corporates and individuals need to make good their tax affairs. Therefore, the purpose of this article is to shed knowledge on the demand notices issued by BURS. As a rule of thumb notices should not be ignored no matter how unfavourable they may appear. Keep on reading and allow us to help you understand the key tax issues on such notices. In this article, words importing the masculine shall be deemed to include the feminine.

Outstanding tax payments

The most common demand notices are to do with outstanding tax payments. These are normally issued when the taxpayer has defaulted in settling tax payments or submitting tax returns. Failure to adhere to tax payment demand notices may lead to bank accounts being garnished so as to recover outstanding taxes or raising of estimated assessments. BURS can place a garnishee order on either your bank or debtors so that whatever money they hold on your behalf becomes due to the taxman until your tax debt is extinguished. Ignoring notices to submit tax returns may result in BURS issuing estimated assessments, which may be astronomically higher than what is due.

Assessments

BURS may issue notices of assessments once a self-assessment income tax return has been submitted according to Section 78 of the ITA. In essence the assessment notifies the taxpayer whether tax is payable or not. In the event of a tax paying assessment, the notices may demand that tax is payable within 30 days from date of issue by BURS. These assessments may be issued electronically or by post. Demand notices may however be issued via sms alerts. Other assessments such as for VAT and transfer duty may also be issued on taxpayers. Thus, it is imperative that taxpayers should constantly monitor their emails and box offices for such assessments. Failure to comply may lead to penalties and interests if the due dates are passed. We must state that these days, tax submissions done by taxpayers are automatically regarded as assessments issued by BURS to the said taxpayers. This is what we may refer to as self-assessment, i.e., whatever the taxpayer determines that they have to pay to BURS becomes due upon submission of the electronic self-assessment tax return.

Never ignore them

Hence, once notices are served on a taxpayer by BURS, it is prudent to act on the requirements of that notice to avoid unnecessary inconveniences such as late payment penalties and interests. Further, such arrangements tarnish the taxpayer's reputation with BURS and it may then profile them as high risk. This has the negative effects of getting BURS to always act with caution when dealing with such taxpayer due to their non-compliance records. Remember

that the taxman has the backing of the law and whatever you do should not cause them to feel ignored or disrespected.

Well, folks, we hope that was insightful. As us the two Yours Truly say goodbye, remember to pay Caesar what belongs to him. If you want to consult, join our free Tax WhatsApp group or to know about our 9 Tax e-books, send a text to +267 7181 5836 or email us at jhore@aupracontax.co.bw. You can read more tax articles on our website, www.aupracontax.co.bw under the 'Tax articles' tab.