

## **Taxman can garnish your debtors**

Generally, outstanding tax liabilities attract penalties and interest which further inflates tax obligations. Accordingly, the taxman chases taxpayers to ensure that such obligations are settled. However, some taxpayers try by all means necessary to avoid paying tax simply because they do not want to pay and some because of cashflow challenges. It is vital to note that the taxman is empowered with various tools which enable collection of tax obligations.

BURS' main mandate is to enforce the tax laws with the main objective of ensuring that tax is collected from every taxpayer. In order to ensure that such a mandate is effectively and efficiently executed, BURS has, amongst its work force, a dedicated team of debt collectors. These taxmen and women are empowered with various means to ensure that debtors pay their dues which includes follow-up phone calls, emails and demand letters. Consequently, where such means fail to yield positive results, usually due to non-responsiveness from taxpayers, the taxman may institute a garnishee order. This is commonly known to be effected on bank accounts. However, it is of paramount importance to understand that a garnishee order is technically a legal instruction used to recover payment of a debt. In essence, a garnishee order can be enforced on any source of income of a tax debtor. This means that such an order can be enforced on your debtors, consequently redirecting all the payments from your debtors to BURS until the tax obligation is settled. The garnishee order is usually employed as a last resort of collecting tax from difficult taxpayers.

Since the tax amnesty was extended to 30 June 2022, you may as well make use of it to get tax penalties and interest waived upon payment of principal tax. Have a merry Christmas and a prosperous new year. We catch-up in 2022.

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