



# PRACTICAL FARMING TAX

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Livestock values on SARS website

<http://www.sars.gov.za/TaxTypes/VAT/Pages/Farming.aspx>

# The Tax Faculty

Aim of today's session is to highlight practical problems/concerns in farming.

The full details of all farming incentives are in the back of the notes for reference.



“ Education is the passport to the future, for tomorrow belongs to those who prepare for it today ”  
-Malcom X -

# Let's start at the very beginning

- Must be a farmer to qualify for this.
- Two core issues will arise:
  - When does farming stop and manufacturing start?
  - How do you manage this?

- I have a smallholding on which I have a couple of animals and a vegetable patch. Am I carrying on farming activities?
  - Always yes
  - Absolutely not
  - It's going to depend on the scale and my intent

# What is farming income?

- No definition for farming!
  - Intention to farm, along with profit prospects
  - Must be more than a hobby or as an enjoyable way of life
  - Need not be profitable now, but must reasonably be deemed possible
- Farming income
  - Must be closely related. ITC 1548 held that shearing someone else's sheep for payment is not farming income. Must have right of use of the asset (ie: sheep)
  - CIR vs D&N Promotions: renting farming land is not farming income. (exception: sheep lease, ie: lessee returns not the same leased sheep, but sheep of the age and condition as at the beginning of the lease)
  - MUST also be part of farming operations to fall into s26 (eg: winnings from a race horse vs proceeds from selling a brood mare)
  - CIR vs Zamoyski: Farming income is calculated without taking assessed losses into account, ie: ringfenced income is pre loss.

# Latest case law

Avenant v The Commissioner for the South African Revenue Service (367/2015) [2016] ZASCA 90 (1 June 2016)

If farmer converts his produce, still considered part of farming operations

Delivery to a co op where you retain ownership and merely pool your stock is not a disposal and doesn't change the principle above

Pulping grapes doesn't change their nature nor does making wine as it's still essentially grape juice.

# Latest case law

- Kluh Investments (Pty) Ltd v Commissioner, South African Revenue Service 2015 (1) SA 60 (WCC)
  - Taxpayer bought land and plantations
  - Another entity had the equipment and worked the land. At no point did the taxpayer take on any risk related to the trees.
  - Sale of land and trees not part of farming operations



# IN 69 – Game farmers

In determining whether a game-viewing fee (for example, a fee paid to partake in a game drive) constitutes income from game farming, it is necessary in the first instance to determine whether the particular taxpayer is conducting a farming operation. This determination will depend on the facts and circumstances of the particular case and will take into account whether the taxpayer has a genuine intention to make a profit from the raising of livestock and whether the objective review of all the facts supports that contention. For example, game viewing conducted in conjunction with other activities such as hunting and sale of game may be a part of a valid farming operation. By contrast, income from game viewing incidental to activities not comprising farming activities will not constitute income from farming operations. For example, certain eco-tourism operations may derive their primary source of income from tourism and accommodation while game viewing may serve as an attraction and be an incidental revenue generator.

# So key features?

Must carry biological risk

Retain ownership!

When something is added to the raw ingredient, no longer farming.

# Farming vs Manufacture?

Ko-operatiewe Wynbouwers Vereniging van Zuid-Afrika  
Beperk v Industrial Council for the Building Industry  
and Others (1949)

- Question of degrees
- Have you created a new trade, even if not manufacture?
- Is this process necessary to be able to sell your farming produce, ie: is it ancillary to the farming?
- Are you using only yours or are you providing a service for others as well?

# Which means?

- Create cost centres in your financial records to split agricultural returns from “other”.
- Keep a clear record of which expenses belong in which pot.
- When allocating, think “how would I justify this split in court” in mind.
  - Direct vs indirect
  - Apportionment methodology – think MTN case and key drivers. Need not be revenue based.



Please consider tax  
consequences of being a sole  
prop farmer! Section 9HA has  
huge consequences



<b>Status quo</b>	<b>Spouse 1</b>	<b>Spouse 2</b>	<b>Total</b>
Current Net Asset Value	R 20 072 813,00	R 6 304 613,00	R 26 377 426,00
Accrual adjustment	-R 608 783,00	R 608 783,00	R -
	<hr/> R 19 464 030,00	<hr/> R 6 913 396,00	<hr/> R 26 377 426,00
CGT liability	R 1 226 778,66	R -	R 1 226 778,66
Income Tax	R 3 241 274,40	R -	R 3 241 274,40
Less abatement	<hr/> R 3 500 000,00	<hr/> R 3 500 000,00	<hr/> R 7 000 000,00
Dutiable Amount	R 11 495 976,94	R 3 413 396,00	R 14 909 372,94
Estate Duty @ 20%	R 2 299 195,39	R 682 679,20	R 2 981 874,59
<b>Total taxes due</b>	<hr/> <b>R 6 767 248,45</b>	<hr/> <b>R 682 679,20</b>	<hr/> <b>R 7 449 927,65</b>

# Farming ops in Pty held by Spouse 1

Option One	Spouse 1	Spouse 2	Total
Current Net Asset Value	R 20 072 813,00	R 6 304 613,00	R 26 377 426,00
Accrual adjustment	-R 608 783,00	R 608 783,00	R -
	R 19 464 030,00	R 6 913 396,00	R 26 377 426,00
CGT liability	R 1 789 385,40	R -	R 1 789 385,40
Income Tax	R -	R -	R -
Less abatement	R 3 500 000,00	R 3 500 000,00	R 7 000 000,00
Dutiable Amount	R 14 174 644,60	R 3 413 396,00	R 17 588 040,60
Estate Duty @ 20%	R 2 834 928,92	R 682 679,20	R 3 517 608,12
<b>Total taxes due</b>	<b>R 4 624 314,32</b>	<b>R 682 679,20</b>	<b>R 5 306 993,52</b>

# Practical issue two – ring fencing

- Two primary ringfencing provisions
  - Para 8 Live stock purchases
  - Para 12 (CDE ringfencing)



# Quick example – para 8

Source – Comprehensive Guide to IT12

Example: 1	
Farming income	R 5,000
Closing stock Livestock	<u>R 1,500</u>
	R 6,500
Less: Opening stock Livestock	R (1,000)
Livestock purchases	<u>R (8,000)</u>
	R (9,000)
Balance of expenditure not allowed	R (2,500)
<ul style="list-style-type: none"><li>• The amount of R2 500 in respect of the purchase is not allowable and is limited and the amount not allowed is carried forward to the following year of assessment.</li><li>• This limitation is not applicable if the farmer can show that he/she no longer held and had not disposed of the livestock that he/she acquired on or after 31 May 1988.</li><li>• If the farmer can prove that, for example, due to drought, the fair market value of his/her livestock at the end of the year of assessment is less than the loss on livestock as shown above, together with the value of opening stock, such loss is reduced by the difference.</li></ul>	
Example: 2	
Amount to be carried forward (loss on livestock)	R 2,500
Plus: Opening stock of livestock	<u>R 1,000</u>
	R 3,500
Less: Fair market value of closing stock	<u>R 3,000</u>
Allowable	<u>R 500</u>
The amount of R2 500 is reduced to R 2 000.	

## Example of a Farming tax computation

Income	R	Comments
Sales of Produce	x	
Sales of Livestock	x	
Forced sales	x	The para 13 and para 13A adjustments
Deemed disposals	x	This would include items such as change in use adjustments
Recoupments (s8(4))	x	This would be for s11(e) and s12B allowances
<b>Total farming income for para 8 purposes</b>	<b>x</b>	
<b>Add:</b>		
Closing livestock at std value	x	
Closing produce at market value	x	
<b>Less:</b>		
Opening adjusted livestock	x	
Opening produce	x	
Purchases	x	This must be limited to total farming income adjusted for livestock values.
Possible drought forced sale adj	x	
Other farming expenses	x	
S 11(e) and s 12 B	x	
<b>Net farming income</b>	<b>x</b>	
Add farming CGT	x	
Less CDE	x	Remember that this must be limited to net farming income plus farming CGT
<b>Taxable farming income</b>	<b>x</b>	

The result of this calculation is then added to into the normal income tax model.

# What does this mean for record keeping?

- Must be able to easily produce the number for the ringfencing.
- How are you keeping track of roll forwards?
- Reconciliation of limitation to AFS, particularly if you're using IFRS?
- Additional form for tax returns – IT48.

# What does this mean for tax planning?

- The more farming income, the less chance of ringfencing.
- Consider your farming/manufacturing/other split carefully.
- Consider whether it may be more beneficial to create separate trading entities for non farming income.
- Timing of purchases of CDE/assets/livestock.

# Reminder on allowances

Farming specific

- Para 12 of the 1<sup>st</sup> Schedule
- Livestock vs trading stock
- Special produce rules
- Section 12B
  - Now also includes bio-diesel/bio-ethanol production
  - Also applicable to wind, hydro and solar power generation. Electricity produced from organic waste also qualifies

# Other considerations

- VAT
- Diesel rebates



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# Income Tax considerations

The formal theory





# So where do we look?

- S26 of the Income Tax Act
- First Schedule
  - Special Capital Development Expenditure allowances
  - Specific treatment of trading stock/ “floating capital”
  - Concessions for forced sales
  - Tax rate concessions



# How does this fit into the tax calc?

Tax Computation		
Gross Income		100,000
Less: Exemptions		<u>10,000</u>
Income		90,000
Less: Deductions		20,000
Add: s26 Farming taxes		40,000
Farming income	120,000	
Less: Exemptions	<u>15,000</u>	
Net farming gain	105,000	
Less: Farming allowances	<u>65,000</u>	
Net Farming income	40,000	
Taxable income		110,000

# What is farming income?

- No definition for farming!
  - Intention to farm, along with profit prospects
  - Must be more than a hobby or as an enjoyable way of life
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# Why is this so important?



- Farming income is used in the rating formula
- Certain deductions are limited to farming income

# Stock/Floating capital

For both livestock and produce:

- Add closing stock
- Deduct opening stock
  
- Sounds familiar? Think cost of sales treatments!  
–(Remember in accounts we are adjusting purchases)
  
- Opening stock = Last years closing stock + MV of any previous non farming assets now held as farming + MV of donations/inheritance
  
- Closing stock = On hand at the end of the year

# Stock/Floating capital

- Farmer Brown has 2 chickens at the end of the 2018 YOA. During 2019 he inherits 6 chickens, raises 7 chicks and 4 chickens die. What number of chickens should he use for opening and closing stock purposes on his 2020 tax return?
- Opening stock = 8
- Closing stock = 4 chickens, 7 chicks.
- NB: In farming the age of the animals make a difference!

# Livestock vs produce:

Livestock: All animals used by the farmer in his farming operations

–Eg: Horses used to breed = livestock, horses held to race are not livestock

Produce: What the farmer grows or what is produced by the livestock

–No WIP for tax purposes. The harvested produce must be on hand for it to count as produce.



# Livestock vs produce:

- Which comes first – the chicken or the egg?
- A company that sells chicken meat must raise those chickens from eggs. Are the eggs livestock or produce?
- Are the chickens livestock or produce?
- Would your answer change if the company sold some eggs as part of their operations?

# When does something become produce?

- Great revised IN 79 goes into quite a bit of detail on this.
  - Plants attached to soil – not produce
  - Plants that are considered moveable – produce (think bulbs that are grown for harvesting)
  - Core question is intent
  - What about plants grown in pots?
    - Become produce when in saleable condition



# Why does it matter?

- For valuation purposes:
- Livestock values given in Para 5 of the First Schedule.
  - If not listed, then value must be agreed with Commissioner
  - Farmer may change, but not by more than 20% with approval
- Produce = Commissioners discretion (usually cost)
  - Rex vs Variawa: Mielies are produce
  - Milk = produce, condensed milk doesn't

# Consumable stores

Usually consumable stores are included in trading stock under s 22.

Section 22 is specifically excluded for farmer's though, so no inclusion of consumable stores unless it meets the definition of produce.

# First ring fencing provision: Para 8

- Expenditure on the acquisition of livestock is limited to farming income adjusted for opening and closing stock. Any amounts disallowed are carried forward to the next YOA.
- Eg: Zola has opening stock of R 1 000, farming income of R 200 000, purchases of R 300 000, closing stock of R 11 000.
  - Para 8 (1) allows a deduction of:  $R\ 200\ 000 + 11\ 000 - 1\ 000 = R\ 210\ 000$ . NOT R 300 000, 90 000 disallowed.
  - Para 8 (3): Assume the MV of the stock at YE is 50 000.  
Reduction in disallowed portion:  $90\ 000 + 1\ 000 - 50\ 000 = 41\ 000$ .  
Therefore total deduction allowed =  $R\ 210\ 000 + 41\ 000 = 251\ 000$

# Non trade disposal of livestock/produce

- Domestic use:
  - Farming income inclusion at cost. If no cost price, then MV
- Removal from the Republic:
  - Inclusion at MV
- Other:
  - Donations/sale less than MV, in specie dividends  
Inclusion at MV
- If farmer uses livestock in her trade, then use MV. Eg: Dairy farmer allows her workers to each take 1l milk/day
- Animal changes it's nature from livestock to something else. Eg: Breeding mare now used as a race horse:
  - Inclusion at MV

# Forced sales of livestock – Para 13/Drought relief para 13A

- Sale due to drought/stock disease, etc
  - Must be replaced within 4 years
  - Have the option of:
    - Deducting cost of replacement stock in the year sale took place
    - Deducting it from income in the year replaced
- Sale due to Government livestock reduction scheme
  - Must be replaced within 9 years
  - As above
  - NB: May not use para 19 rating formula for gov sales, may use for drought sales
- Drought relief (13A)
  - If sale due to drought and proceeds deposited with the Land Bank:
    - Income can be postponed for as long as cash is left, ltd to 6 years
    - If this provision is used, then can't use relief above

# Capital Development Expenditure

- 3 options: s12B, para 12 or s 11(e). Residential accommodation straight to s 13!
- Capital Development Expenditure:
  - Noxious plant eradication
  - Prevention of soil erosion
  - Dipping tanks
  - Dams, irrigation schemes, etc
  - Fences
  - Erection of ANY farm buildings, other than those used for domestic purposes
  - Planting of plants to produce fruit
  - Roads and bridges used in farming
  - Building power lines to farming apparatus



# Capital Development Expenditure

- So what can we do?
  - Full deduction on qualifying expenditure
  - Limited to farming income before these deductions (ring fencing)
  - EXCEPT for noxious plants and soil erosion
  - Carry over unredeemed capital development expenditure
  
  - NB: Para 12 states that recoupments must first be set off against unredeemed capital development expenditure
  
  - NB2: Unredeemed CDE can be added to BC of farm when sold, can't be used to create capital loss.

# Capital Development Expenditure

- Other considerations:
  - Recoupments follow the same principles as s8, but are housed in para 12.
  - Para 12 (1C) deems a fair value (limited to cost) inclusion for assets donated or sold at  $< MV$
  - If use para 12, can't use s11(e) or s11(o)

# S13sex Residential units

- Applicable on or after 21 October 2008
- Requirements:
  - New or unused buildings
  - If only claiming on improvement, then same conditions
  - Taxpayer must own the units
  - Used SOLELY for the purposes of trade
  - Taxpayer must own at least 5 residential units used for trade purposes.
- Rate:
  - 5 %
  - 10% for low cost housing

# S13sex Residential units

- Low cost housing:
  - A building whose cost does not exceed R300 000 + monthly rent does not exceed 1% of cost
  - An apartment whose cost does not exceed R350 000 + monthly rent does not exceed 1% of cost
- Notes:
  - Cost is the lower of cost or market value in an arm's length transaction. If you buy a portion of the unit, cost is:
    - 55% of purchase price where a unit is acquired
    - 30% of purchase price where an improvement is acquired
  - Allowances may not exceed cost
  - Can't use s13sex if another allowance is available

# s12B – capital allowances

- Must be used before para 12 allowances
- Not limited to farming income
- Allowed on all assets owned by the farmer
  - 50%/30%/20%
- Brought into use for the first time
  - Specifically disallowed:
    - Aircraft (except crop sprayers)
    - Office furniture/equipment
  - S11(e) is used for any remaining assets!



# Summary

- Must have biological risk to be a farmer
- Building allowances are as per usual
- Farming assets are all revenue assets
- Ring fencing must be considered
- Ceasing farming causes recoupments

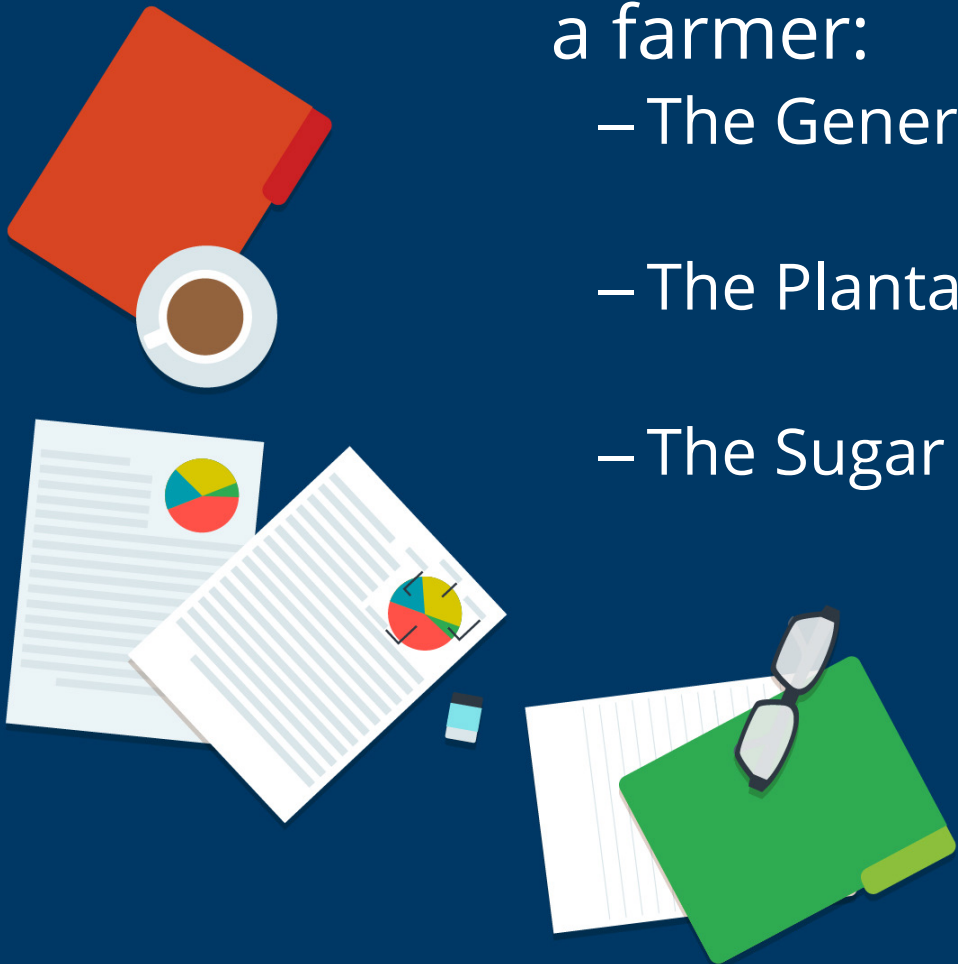


# Some bits and pieces:

- Para 17A: If lessor leases land used for farming, may deduct soil erosion prevention expenditure if
  - Obtains relevant certificate
  - Deduction is limited to income received from land
- S24J – Applies to purchases of livestock
- Practice Note 6 deals with game farmers.

# Rating formula

- 3 separate formula's exist to reduce the tax paid by a farmer:
  - The General para 19 formula
  - The Plantation formula (para 15)
  - The Sugar Cane formula (para 17)





# Plantations

- Any artificially established tree as ordinarily understood except those for the production of grapes, fruit, nuts, tea, coffee, hops, sugar, vegetable oils, fibers
- Para 14: Sale of the land will be split between the trees (revenue) and land (capital)
- Para 15: May deduct the cost of
  - establishing, maintaining a plantation
  - Acquiring plantations LIMITED to the income received from that specific plantation

# Plantations – Para 15 (3)

- Applies to natural persons only
- If a farmer earns plantation income and
  - The taxable income exceeds the annual average taxable incomed from the preceeding 3 years, then
  - The excess is subject to tax as per s5(10).

<b>Current Year</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
Year – 1	6,000	6,000	6,000	-
Year -2	3,000	3,000	-	-
Year -3	3,000	-	-	-
Total for 3 years	12,000	9,000	6,000	-
Average	4,000	3,000	2,000	-
<b>Excess</b>	<b>4,000</b>	<b>5,000</b>	<b>6,000</b>	<b>8,000</b>

# S 5(10) rating formula

$$\bullet Y = \frac{A \times (B-L) + (L \times R)}{B+D - (C + L)}$$

- Y = Normal tax payable
- A = Normal tax
- B = Taxable income for the year
- C = Excess plantation taxable income (actual – 3 year average)
- L = lumpsums from retirement
- D = RAF contributions
- NB: Rate of tax may never be <18%

# S5(10) - Example

	Plantation	Farming	Total
<b>2020</b>	50,000	178,000	228,000
2019	30,000		30,000
2018	20,000		20,000
2017	10,000		10,000

Therefore the farmers 2020 tax =

B = 228 000

C =

Total for 3 years	60,000
Average	20,000
<b>Excess</b>	<b>30,000</b>

D,L = 0

A = 40 260 (tax on 198k as per table)

$Y = 40\,260 / (228\,000 - 30\,000) \times 228\,000 = 46\,360$  (before rebate)

# Sugar cane – Para 17

- Where the sugar cane is sold because of fire destruction, such income is taxed in terms of s5(10)
- C = Proceeds from the fire sale
- Can use para 15 and para 17 together

# General Provisions – Para 19

- If this provision is used, the farmer may not use para 13, 15 or 17!

- $$Y = \frac{A \times (B-L) + (L \times R)}{B+D - (C + L)}$$

- Y = Normal tax payable
- A = Normal tax
- B = Taxable income for the year
- C = Excess farming taxable income (actual – 5 year average)
- L = Lumpsums from retirement
- D = RAF contributions
- NB: Rate of tax may never be <18%

# General Provisions – Para 19

- Average annual income:
  - ALL farming income from current + previous 4 years added together and divided by 5
  - If farmed for < 5 years, as many as you have
  - Losses are included in the calculation,
  - If no farming ops whatsoever previously then:
    - If < R 5 000, use actual
    - If R 5000 < taxable inc < R 7 500, then R 5 000
    - If R7 500 < taxable inc, then 2/3 of actual
  - Limited to a minimum of nil

# General Provisions – Para 19

	Farming	Other	Total
<b>2020</b>	200,000	160,000	360,000
2019	160,000		160,000
2018	100,000		100,000
2017	-80,000		-80,000
2016	20,000		20,000
2015	40,000		40,000
<b>Total for 5 years</b>	<b>400,000</b>		
Average	80,000		
<b>Excess</b>	<b>120,000</b>		

A = Tax on B - C = 52 260

B = 360 000

C = 120 000

$Y = 52\,260 / 240\,000 \times 360\,000 = 78\,390$



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# VAT?



# Farming zero rating – Schedule 2 Part A

- Animal Feed
  - Animal remedy
  - Fertilizer
  - Pesticide
  - Plants
  - Seed
- 
- NB: Unlike zero rated foodstuffs, zero rating attaches to vendor, not the type of product!



# Zero rating

The sale of banned substances (such as DDT) will not be zero rated.

If not specifically mentioned, not zero rated. Eg: Item 2 in Schedule 2 refers to Animal remedies. It does not refer to the vet's consult fee.

As a general rule of thumb, the zero rate applies only to the product, not the process. Eg: maize is zero rated, the labour/capital costs involved are not. So if you provide harvesting services, it is not zero rated, even though it is farming services.



# Zero rating

NB: The Schedule for farming zero rating is very very specific. Please do NOT learn shortcuts – must refer specifically to it. Eg: Potatoes that can be grown would be seeds under this Schedule. Potatoes suitable for consumption would not. So even the packaging can have an impact!

NNB: There are two zero rating rules: General zero rating on fruit and veg and then only on the sale of approved products to registered farmers





# Diesel Rebate



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# Diesel Rebate

## Calculation of DIESEL REFUND IN TERMS OF THE CUSTOMS AND EXCISE ACT

C. Calculation of DIESEL REFUND IN TERMS OF THE CUSTOMS AND EXCISE ACT										
<b>On Land:</b> <span style="float: right;">OLDR101</span>										
Total purchases (l)	21	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Non-eligible purchases (l)	22	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Eligible purchases (l)	23	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Claimable litres (l)	24	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				x	<input type="text"/>	%				
				x	<input type="text"/>				(cl) <b>Total</b>	25 R <input type="text"/>
<b>Offshore:</b> <span style="float: right;">FFGED01</span>										
Total purchases (l)	26	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Non-eligible purchases (l)	27	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Eligible purchases (l)	28	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				x	<input type="text"/>				(cl) <b>Total</b>	29 R <input type="text"/>
<b>Rail &amp; Harbour services:</b> <span style="float: right;">DCALR01</span>										
Total purchases (l)	30	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Non-eligible purchases (l)	31	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Eligible purchases (l)	32	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				x	<input type="text"/>				(cl) <b>Total</b>	33 R <input type="text"/>
<b>TOTAL AMOUNT PAYABLE/REFUNDABLE 20 - (25 + 29+ 33) or 20 + (25 + 29+ 33)</b> <span style="float: right;">TAPRE01</span>										
										34 R <input type="text"/>

# Diesel Rebates

*Commissioner for the South African Revenue Service v Langholm Farms (Pty) Ltd (1354/2018) [2019] ZASCA 163 (29 November 2019)*

There are two key take aways from this case. Firstly, you can go straight to Court for a declaratory order after SARS has issued you with a Letter of Findings stating that there is a dispute of law. This right has been upheld. Secondly, when claiming Diesel Rebates, one can only claim the rebate for diesel stored and used on the premise of the taxpayer. If you fill your tanks at any other bowser you are not eligible!

# Where are we now?

V2 of draft regulations out for comments until 24<sup>th</sup> of March 2021.

New form DSL201 to replace the VAT form.



# Questions?



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