

An Analysis of Taxpayer Service needs of Private Sector Tax Practitioners from South Africa Revenue Service

Dr.Oludele A. Akinboade¹, Dr Mandisa Putuma Mokwena² & Prof Wynand Grobler³

Abstract

The paper reports the findings of a survey of 703 private tax practitioners in South Africa seeking to determine their taxpayer service needs from the South Africa Revenue Service. This is to improve their tax compliance. The availability of a fully functional SARS website is important to them. They overwhelmingly need assistance from SARS in completing tax returns and prefer communication via email, internet, letters in the post, television and telephone calls. Tax practitioners prefer to be trained by SARS in the knowledge of organizational skills, taxpayer rights and privileges, South African tax laws, computer skills for accounting, and knowledge of tax codes. The least preferred training is in the handling of grievances.

Keywords: Tax compliance; Tax practitioners; Taxpayer service needs; Revenue Administration; South Africa

1. Introduction

An analysis of tax compliance among South Africa's 35,000 tax advisors shows that, in their personal capacity, they are indebted to South Africa Revenue Service (SARS) to the tune of R260 million, whilst at the same time they have 18,000 outstanding returns (Lee, 2012).

¹ Independent Consulting Company, 1611, Thornbrook Estate, Waterbok Street, Theresa Park, Pretoria North, Pretoria, South Africa 0182. Cell: (+27)766312263 Fax: (+27)862934744, Email: economist_oa@yahoo.com; Profolu01@gmail.com

² Researcher, School of Economic Sciences, North West University, Vaal Campus, South Africa, South Africa. Email: mandisa.mokwena@gmail.com

³ Director, School of Economic Sciences, North West University, Vaal Campus, South Africa. Email: Wynand.Grobler@nwu.ac.za

Non-compliance by trusts and companies is also a key area of concern for SARS, and it has been determined that tax practitioners could be linked to over 107,600 companies and trusts. Only about 55% of tax practitioners registered with SARS are registered with any professional body while others have no oversight or accountability (Lee, 2012).

When tax practitioners do not submit tax returns, it is mainly because they do not want their incomes disclosed to SARS (36%). Otherwise, they have no time to complete and submit the forms (28.7%). For about one-fifth of them, tax return forms are too complicated to understand, making completing them difficult. Some feel that they do not earn taxable incomes (SARS, 2008).

The term "tax practitioner" covers a diverse group of individuals, business structures and professional groups who provide a range of tax services for their clients. Self-employed and in-house accountants, tax advisers and registered tax agents, tax agent franchises and legal practitioners in the tax area are all embraced by the term (Marshall et al, 2006). They act as personal advisors to taxpayers. They are the channel of communication between SARS and taxpayers, particularly the wealthy ones. They use special software packages, to summarize transactions in the standard formats of financial records and organize data in special formats employed in financial analysis. These accounting packages greatly reduce the tedious work associated with data management and record keeping. They hence, not only provide clients with accounting and tax help, but also help them develop personal budgets, manage assets and investments, plan for retirement, and recognize and reduce their exposure to risks. This role is in response to clients' demands for a single trustworthy individual or firm to meet all of their financial needs. This has enhanced their ability to influence either positively or negatively the attitudes of taxpayers to tax compliance (Killian and Doyle, 2004).

The basic problem is that, in South Africa, no minimum standard exists in respect of qualifications or experience required for tax practitioners to engage in the profession and that not all tax practitioners are subject to a code of professional conduct. From SARS' perspective this means a great deal of time and energy is spent unnecessarily and inefficiently in correcting errors made by or addressing the unprofessional conduct of a small but significant number of tax practitioners.

The level of tax compliance by tax practitioner's organization varies from province to province. All of the tax practitioners in the Free State have been assisted by their organizations in either filing or submitting their tax returns. This is closely followed by Gauteng province where the tax practitioner's organization has filed or submitted their tax returns 93% of the time. 80.5% of tax practitioners organizations in Mpumalanga have filed out or submitted their tax returns. Results are lowest in the Northern and Eastern Cape provinces where 45% and 48% of tax practitioners have been helped to file or submit tax returns by their organizations (SARS, 2008). Roughly, more than 90% of tax practitioners' organizations that filed or submitted their organizations tax returns did so on time; and over four-fifth used electronic applications to file or submit client's tax returns. Others either use manual submission or are unsure of the process (SARS, 2008).

In this scenario, small scale tax practitioners in South Africa may not enjoy the full benefit or organizational infrastructure of the more established tax practitioners. They may be at a disadvantage when it comes to identifying and recording certain taxable line items and hence may risk being non-compliant personally or making their clients non-compliant. Self-employed Chartered Accountants (CAs) or those employed in smaller private and public sector organizations must be vigilant in the proper identification and recording of taxable items in order to increase compliance with SARS guidelines.

Therefore, noncompliance may be somewhat associated with the operating environment of tax practitioners. SARS (2008) reports that the likelihood of using computerized systems for accounting and tax purposes by tax practitioners is highest (100%) in Kwazulu Natal, Limpopo, Mpumalanga, North West and the Western Cape provinces. For the other provinces, they use a mix of computerized and manual systems. Overall, in all the provinces combined, 15.7% use manual system, 82.4% use a computerized system while 1.9% are either unsure of or do not know what type of system they use.

Also, the use of excel spread sheet is popular amongst tax practitioners in South Africa. Forty six percent of tax practitioner's use excel. About 23% use easy file software for their accounting and tax record keeping purposes. 21% utilize Microsoft access and only a small proportion of practitioners use Microsoft word. A small proportion, 2% use other kinds of software.

Experts advise that South Africa Revenue Service (SARS) could benefit greatly from conducting a customer services needs-based segmentation as a means to attain the required greater understanding of key segments. This can form the basis of a strategy to address key segments with appropriate communication and channel strategies to facilitate even more efficient tax collection. This informed the conduct of a survey of the taxpayer service needs of private sector tax practitioners in South Africa.

1.1 The Clamour for Improved Taxpayer Service by Tax Administrators

Taxpayer service is a broad term that covers a whole series of interaction between the taxpayers and tax administrators involving improved service delivery for taxpayer voluntary compliance, expeditious handling of taxpayers complaints and provision of effective tax education. It usually means service and information, which the tax administration provides to taxpayers so that they can fulfil their tax obligations. It should also give the taxpayer a fair guideline of what consequences taxpayers' activities will have in terms of taxes. The service should not only address the expressed needs of the taxpayer, it should also include assistance in areas in which the taxpayer might not even have realized that compliance could be facilitated through taxpayer service and information. (Grampert, 2001).

This is done by providing the taxpayers and their agents with clear precise and timely tax information, simplifying the tax forms and tax laws, translating the laws into local understood dialects by the taxpayers, ensuring courtesy and considerate treatment is extended unconditionally to all taxpayers, responding expeditiously to every taxpayer's enquiry, compliant or request, explaining the grounds for derivation of every tax assessment, providing proper technical advice to taxpayer requests about personal or business tax implications, assisting new taxpayers to register, educating the taxpayers and the general community about tax obligations and rights (Jenkins and Khadka, 2000).

Increasingly, taxpayers are clamouring for better services from tax authorities (Grampert, 2001). Tax administrations across Africa have been challenged to improve their taxpayer services to promote tax compliance which will in turn improve revenue collections. Also, taxpayers, struggling to reduce high compliance costs and shield themselves from arbitrary treatment and corrupt practices, are asking political leaders to improve taxpayer services and embrace an explicit taxpayer service ethos.

The need to implement innovative solutions to the revenue challenges that tax administrations are facing implies that they are becoming more customer centric by adopting process to improve customer service in addition to modernising operations. Tax agencies need processes that do not just make it easy for citizens to understand their obligations and comply with the rules, but also make it difficult for them not to comply. Above all, systems must be flexible enough to allow prevention and detection strategies and business rules to change regularly, so that agencies are not outmanoeuvred by the constantly evolving tactics of tax evaders (Pretty and Negadi, 2012).

A typical tax administration reform being embraced entails ingredients such as modernizing taxpayer registration, strengthening return processing and payment systems, improving collection enforcement, developing effective audit programs, developing better taxpayer services, introducing automation, implementing unique taxpayer identification numbers, and monitoring large taxpayers. Some of the methods being used in countries such Kenya and Rwanda to deliver improved taxpayer services include setting up of tax clinics tailored to meet the specific needs of customers, and participation in public events such as shows and exhibitions, and the organization of annual Taxpayers' Day. For businesses, reforms can result in the elimination of multiple inspections and, as in the case of Zambia Revenue Authority, the undertaking of major reforms to improve user-friendliness and compliance.

The South African Revenue Service widely advertises "your taxes paid for this road/school/hospital" while simultaneously and publicly working with the Scorpions, a special crime investigation unit attached to the National Directorate of Public Prosecutions, to deal with suspected high-profile tax defaulters. Taxpayer services can be improved if the tax revenue organization knows and understands their taxpayer's expectations. Hence, the need to study taxpayer service needs of tax practitioners as a separate segment of SARS tax clientele.

1.2 Objectives of the Study

A private sector tax taxpayer service needs analysis is a process whereby tax compliance needs of private sector organizations are identified and priorities among them established.

This is necessary in order to evaluate and to ensure increased tax compliance by these organizations and hence increase internal revenue collection by South Africa Revenue Service. The principal objectives of this study are to:

- (1) Define the internal revenue or taxation training needs of private sector tax practitioners in the country;
- (2) Identify their SARS related training and development needs which are to be addressed at a later stage by SARS.
- (3) Determine the necessity for a dedicated SARS Unit focusing specifically on tax practitioners in the private sector.

2. Taxpayer Expanded Customer Service Paradigm of Revenue Authorities

To achieve higher levels of voluntary compliance, tax administrations are now applying concepts and practices that more effectively manage the risk of taxpayer non-compliance. In general terms this process firstly involves determining what those risks are. Secondly, to then identify the criticality of those risks based on an impact and consequence criteria. And thirdly, to then decide on the appropriate interventions or tactics to best manage those risks.

The role of taxpayer services is increasingly being regarded as fundamental to a tax administrations strategy to improve levels of voluntary compliance. This has resulted in tax administrations taking a more balanced approach by applying both assistance and enforcement interventions when responding to compliance risk. It is now been widely accepted that taxpayer compliance would be more effective and efficient, that is it would have lower administrative and compliance costs, if revenue administrations put greater emphasis on assisting taxpayers in meeting their tax obligations.

Taxpayer service delivery function plays a crucial role in the administration of the tax legislation in all countries. Providing services that are user-friendly, in the sense of being accessible and understandable for all, helps to maintain and strengthen the taxpayers' willingness to comply voluntarily and thereby contribute to improvements in overall levels of compliance with the laws.

Revenue Agencies provide a broad range of services and products related to their different tasks.

This ranges from pure dispersion of information, via different types of guidance services, which often include a dialogue between revenue body staff and users, to different types of transactional services. Transaction services are the “core business” of revenue bodies, and the information and interaction services can be seen as services supporting the transaction services. A combination of process change and technology evolution is evident in the most effective tax agencies. Their systems and processes have already been modernised to maximise yield by improving compliance (Pretty and Negadi, 2012). Recently, many internal revenue authorities are shifting from the traditional “enforcement” paradigm often used to analyze tax compliance behaviour, in which taxpayers are viewed and treated as potential criminals, and the emphasis is on repression of illegal behaviour through frequent audits and stiff penalties (Allingham and Sandmo, 1972; Yitzhaki, 1974). Table 1 provides examples of revenue agencies service categories.

Table 1: Revenue Agencies Service Categories

Service category	Description	Examples of services	Characteristics
Information	Information services and products which are one way communication and do not result in a change to account status	(1) Education (2) Publications (paper and web) (3) Campaigns (4) Mass distribution of different types of information (5) Instructions	(1) Timing volume: partly predictable (2) Size volume: flexible, can be influenced, revenue body initiate (3) Standardisation/automation: possible in many cases
Interaction	Two-way communication, which in itself does not result in any change in account status.	(1) Enquiry (2) Audit (3) Guidance (4) Debt collection	(1) Timing volume: partly predictable (2) Size volume: flexible, can be influenced (3) standardisation/automation: difficult
Transaction	Activity or services that result in a change in account status or account information.	(1) Filing of tax returns, VAT etc (2) Payment/refund	(1) Timing volume: very predictable (2) Size volume: can to a very little degree be influenced (3) Standardisation/automation: great potential

Source: OECD (2007)

Authors suggest that revenue authorities have recently been providing more accessible information services through use of new technology (e.g. by building on-line capability or making information available 24 hours a day, 7 days a week). More recently, many revenue authorities have given taxpayers the functionality of registering for tax system purposes, filing tax returns and paying tax electronically, all, at their own convenience. There have also been developments in the use of telephony services with revenue authorities in many countries establishing large call centre arrangements employing sophisticated telephony technology to facilitate access by phone for taxpayers to information and other services they require (OECD, 2007).

An expanded "service" paradigm is now being embraced which recognizes the role of enforcement, but also emphasizes the role of tax administration as a facilitator and a provider of services to taxpayer-citizens. This has had significantly positive effects on citizen perception of the tax administration.

Customer orientation implies that being actively engaged in the organization-wide generation, dissemination of, and responsiveness to, market intelligence (Kohli and Jaworski 1990). It is usually described as an organizational culture that stresses the customer as the focal point of strategic planning and execution (Jaworski, Kohli, and Sahay 2000; Steinman, Deshpandé, and Farley 2000). Satisfaction is also important to the individual consumer because it reflects a positive outcome from the fulfilment of unmet needs.

The notion of breaking taxpayers into blocks or segments in order to more precisely target them and accommodate their needs is effective marketing and outreach programmes. Coleman and Freeman (1997) report that taxpayers would respond more favourably to messages and strategies that explicitly take into account cultural, economic and even gender differences. Their views are supported by a similar study carried out by Lin and Carrol (2000). Past studies have shown that women are more responsive to conscience appeal than sanction threat, both of which are designed to improve tax compliance (Jackson and Jaouen, 1989; Hite, 1997). These findings imply that targeting groups that require tax education programmes will increase voluntary tax compliance.

The spectrum of services within each category varies from country to country. Many of the revenue bodies, such as the Canadian Revenue Agency (CRA) have placed high priority over the past several years on improving its service delivery over the web. A survey by OECD (2007) finds that several revenue agencies are finding the email channel to be a challenge. It can be more time and cost intensive than initially expected. The survey reports that unstructured email poses the biggest challenge and it can take a long time to respond to such contact. One interviewee reports that users don't come with a question, they come with a problem. Hence, most revenue agencies do offer email as an option, but they do not promote the channel. For the user, email is often seen as an alternative to a telephone call or a letter. Most citizens and businesses see email as a natural part of the communication options and they will often search for an email-address at the website. However, the Netherlands Revenue Agency does not offer email at all, and some other tax administrations have a very limited offer (OECD, 2007).

Most revenue agencies have call centre facilities. The next step for some of them is now to transform these into contact centres, where several channels are integrated including e-mail. Overall, with a 90-95% penetration, the telephone will remain an important channel for revenue bodies' universal access objectives (OECD, 2007).

Revenue Agencies are aiming for a reduction in the volume of users that are served on face-face basis. One of the main reasons for this is that it is known to be the most expensive channel, and therefore efforts are made to reduce volumes.

Revenue Agencies, such as the one in Singapore, are increasing service-orientation by converting from a hard-copy filing system to a paperless imaging system, adopting the extensive use of electronic filing, a one-stop service to answer inquires about any type of tax, the ability for filers to see the entire tax form with any corrections before it is submitted, the use of interest-free instalment plans for paying taxes with direct deduction from bank accounts, separate functional areas within the tax administration with little opportunity for corruption, and a changed attitude of officials toward taxpayers. During the last decade, the tax administration service of Singapore has gone from being the lowest rated government agency in public satisfaction to one that ninety percent of the taxpayers found to provide courteous, competent, and convenient services (Alm et al, 2011).

In Sweden, the assumption is that many taxpayers want to comply but that they are making mistakes unintentionally and that compliance would increase by focusing on service and information, influencing policy makers and initiating changes in the law to make it easier for users to comply (OECD 2007).

Alm et al (2011) utilize laboratory experiments to test the effectiveness of taxpayer service programmes both in encouraging an individual to file a return (“filing” compliance) and in increasing the individual’s subsequent level of reported income (“reporting” compliance). They find that uncertainty reduces both the filing and the reporting compliance of an individual. However, they also find that agency-provided information has a positive and significant impact on the tendency of an individual to file a tax return, and also on reporting for individuals who choose to file a return. Table 2 highlights the strengths and weaknesses of the different channels for service delivery.

Table 2: The Strengths and Weaknesses of the Different Channels for Service Delivery

Channel	Description	Strengths	Weaknesses
Internet	<p>Web sites for one-way information dispersion from one to many. Web-based and therefore easy to link and combine information and self-services, and to update content.</p> <p>Interactions, such as the use of online calculators and other tools. If a secure environment, it can also facilitate interactions such as requests for advice.</p> <p>Web portals that include transactional services with secure log-in options, for instance e-filing</p>	<ul style="list-style-type: none"> •Can be accessed 24 hours a day/7 days a week •Independent of time and place. •Very low cost per visit. Cost per visit decreases as accessibility increases. •Can address small segment needs in a cost effective manner •Can be personalised •Customers are happy to use internet, great acceptance •Present complex information in an easy way, if you do it right – have the text in front of you •Can push information to the client, either through list service or by placement of account specific information in secure space 	<ul style="list-style-type: none"> •The user must actively search the information (pull). •Not all have access to internet •Content may be too general • Can be difficult to find the information you need •Transaction services and some interaction services may require rigorous security measures •Can trigger more contact with revenue body.
Email	<p>Structured: mainly via web forms on internet</p> <p>Unstructured: free text from email programme or website</p> <p>Can be with or without security solutions. Possible to use</p>	<ul style="list-style-type: none"> •Can send e-mail 24/7 •Independent of time and space •Can present complex info •Many are familiar with use 	<ul style="list-style-type: none"> •Often not a secure solution for sending personal information Often expensive to operate •Difficult to meet client expectations, they often expect immediate answer

	automated system for handling. Can give automated and/or manual response.	of email	(almost as a phone call). •Time sensitive and labour intensive •Can trigger more contact with revenue body.
Telephone --Agent	Calls to local tax offices or different types of call centres or contact centres (which also includes other channels).	<ul style="list-style-type: none"> •Immediate answer, interactive • Ability to probe effectively •Facilitates channel integration, e.g. co-browsing, click-to-talk Web/Phone integration and making face-to-face appointments •Often preferred channel by taxpayers • Can handle large volumes 	<ul style="list-style-type: none"> •Can be high cost •Can be challenging to flexible capacity, in particular for peaks
Telephone --Automated	information services and interaction services, in some cases also transactional services. Touch tone systems - "press 2 for VAT" Speech recognition systems – IVR (Interactive Voice Response). The user receives information through the system through a recorded (digitised) or synthesised voice. Can retrieve virtually any kind of data. The system can ask questions like "what is your personal ID code".	<ul style="list-style-type: none"> •Access 24/7. Independent of time and geography. • Can be very easy to use if properly configured • Low cost • Flexibility, popular 	<p>May be limited to a narrow range of services</p> <ul style="list-style-type: none"> • Low client tolerance, some people hate automated systems • Offers a poor customer service when poorly configured • IVR can be expensive and difficult to configure • Can be expensive for the user (phone charges) • May require referrals to other channels if user can not navigate system
SMS	Messaging via mobile phone. Can be used for notification services (outbound) and in a few countries filing or ordering forms (inbound). Example: Allow a customer to update/change tax credits, transaction, updated directly in the systems. Check status of correspondence. Allow customers to update change of address to their file.	<ul style="list-style-type: none"> • Access 24/7. Independent of time and space. • Mobile phone is a personal device that the owner always brings with him • Low cost • Easy to use • Appeals to young people 	<ul style="list-style-type: none"> • Limited options, small screen • Security • People changing mobile numbers • Not yet the acceptance as channel for self service (still an emerging technology)
Letter	Outbound letters from revenue body, or inbound from taxpayers. Increased use of scanning for automation of handling process.	<ul style="list-style-type: none"> •Legally binding (if registered) • Most people are very comfortable with paper products 	<p>Takes time from sender to receiver.</p> <ul style="list-style-type: none"> • Time consuming handling. • Expensive to process
Mass Distribution	Distribution of mass-produced written material like forms and brochures from revenue body to target groups or all taxpayers.	<ul style="list-style-type: none"> •Proactive from tax administrative perspective (push) • Most people are very comfortable with paper products 	<ul style="list-style-type: none"> • Can be very expensive • Will also be received by many users who do not need the info. • Uncertainty related to recipients level of

		<ul style="list-style-type: none"> • Suited for presenting information in a pedagogic way /logical order. • Easy for taxpayer to study content as many times as needed. 	<ul style="list-style-type: none"> • understanding • Tends to prompt high volume of low value inbound contact • Encourages traditional behaviour
Fax	Written documents transferred via fax, but are mostly handled as other paper documents. (Therefore grouped together with letters and other documents)		
Walk-in-Office	Counter at local tax office, or counter at local public office shared with several other public agencies. Opening hours normally corresponds with normal office hours. Drop-in or by appointment.	<ul style="list-style-type: none"> • Provides direct and personal contact. • Allows for assisted self-service to encourage channel migration • If by appointment, eliminates waiting times. 	<ul style="list-style-type: none"> • Limited access in time and place. • High cost • Less equitable, limited number of office mostly in larger urban communities
Outreach Activities	Tax officers offer face-to-face services in public spaces like shopping malls, libraries, schools, railway stations, airports, place of business, etc	<ul style="list-style-type: none"> • Can target special user groups. From one to many – meet many at once. • Proactive. Can prevent unnecessary contact. 	<ul style="list-style-type: none"> • Time consuming
Interactive kiosks	Different types of unmanned kiosks. Can be used for information, interaction or transactions. Some kiosk solutions include internet access to many types of services (incl. security system), printer, telephone, video conferencing with tax officer and shared screen view. Can be placed in local tax offices, other public offices, or in public spaces.	<ul style="list-style-type: none"> • Can be available 24/7 if in a public space • Low cost 	<ul style="list-style-type: none"> • Security, vulnerable for hackers • Can be uncomfortable to deal with your personal data in a public space.

Source: OECD (2007)

2.1 Research Method

A purposive survey was carried out of the needs of 703 tax practitioners in the nine South African provinces. The survey sought to determine: (1) the most preferred dedicated SARS services, (2) usefulness of SARS taxpayer education and other related services, (3) tax practitioners training needs, and (4) tax practitioners communication needs as between print and non-print media. The questionnaire administered included open and closed questions. Open questions allowed respondents to give answers in their own way, while closed questions were chosen in order to produce standardized data that can be analysed.

3. Results of Taxpayer Service needs of Tax Practitioners

3.1 Tax Practitioners need help in Completing Tax Returns

Many taxpayers do not have complete knowledge of the tax system operating in their countries. Some authors suggest that knowledge about tax is important in determining what type of taxes to pay especially in South Africa, Kenya and Tanzania, although the latter is significant only at 10% (Ali, Fjeldstad and Sjursen, 2013). Jackson and Milliron (1986) explain that there would be low tax compliance among taxpayers if their tax law knowledge and experience about tax is low. Tax law is notoriously complex due to high levels of abstraction and technical terms (McKerchar, 2001). Boyatzis, (1982) explains that tax competencies are needed for the interpretation of tax laws and regulations, tax planning, functional competencies and business operational competencies.

Knowledge is one of the factors of tax compliance that also influences taxpayers' ability to understand laws and regulations of taxation and their ability to comply. Chen Loo and Keng Ho, (2005) suggest that appropriate tax compliance can only take place if the taxpayers involved are knowledgeable and can comprehend the relevant tax laws, rules, guidelines, regulations and administrative procedures.

More than three quarters (76%) of tax practitioners find the assistance provided by SARS officials during the tax compliance process to be very helpful. They therefore overwhelmingly need assistance from SARS. The most helpful services are tax practitioners education and professional training/workshops organized by SARS. On average the tax practitioners were about 50% very satisfied or satisfied with SARS' tax compliance services. VAT repayments may have detrimental effect on business if the tax refund is paid late, or not repaid at all. About 50% of tax practitioners are satisfied with the way SARS handles this service. In terms of SARS general services considered unhelpful, SARS call centre services rank highest.

3.2 Tax Practitioners Search SARS' Website for Information

Tax Practitioners normally visit SARS websites for various reasons but most importantly, for seeking information on tax matters, registering themselves or their clients as taxpayers, commencing and completing the process of e-filing and updating their knowledge about tax laws and other matters.

The tax revenue organizations as service providers are therefore under obligation to offer quality service to their customers, who are mainly taxpayers.

When asked to indicate how often they visit SARS website, about thirty five percent visit the site once a month and at the other extreme one-fifth do so only during the filing season. About 17% of private sector tax practitioners visit SARS' websites 2-4 times a month. About 16% visit the website between 5-15 times a month (SARS, 2008). This highlights the importance that they attach to this service.

3.3 Communication needs of Tax Practitioners

The survey also analyzed tax practitioners' communication needs from SARS. Tax practitioners prefer communication via email, internet, letters in the post, television and telephone calls. The least preferred communication media are imbizo, SMS and radio.

Table 3: Tax Practitioners Preferred mode of Communication with SARS (from 0 (Not Preferred) - 1 (Most Preferred))

	Most preferred and preferred. (average score)	Rank
Community theatre production	0.23	12
Email	0.72	1
Imbizo	0.28	10
Internet	0.71	2
Post	0.67	3
Newspapers	0.54	6
Other	0.11	11
pamphlets	0.38	9
Radio	0.51	7
Sms	0.43	8
Telephone call	0.55	5
Television	0.58	4

Most of the respondents prefer receiving communication from SARS monthly. Two-thirds (68%) of tax practitioners would prefer to receive SARS information brochures at their work place. The most preferred type of brochure is filing (36%), declaration (30%) and registration brochures (31%). The overwhelming preference is for SARS to communicate in English.

3.4 Conclusion about Customer Service Communication needs

Tax practitioners clearly identify communication by email and internet as the most important communication need. Filing, declaration and registration brochures are the preferred brochures. And the overwhelming majority of tax practitioners would prefer English as the mode of communication. This kind of needs analysis will help SARS to redirect its limited resources to provide the most effective means of communication to optimize taxpayer compliance.

3.5 Tax Practitioners most Preferred Dedicated SARS Services

An analysis of responses by tax practitioners reveals varying demand for dedicated SARS information services which include the following five services classified as the dedicated SARS services.

These are: SARS web information service, SARS Kiosk, Dedicated SARS desk, Dedicated SARS call centre and Dedicated Teller in SARS Branch Office. The tax practitioners have been asked to rank a number of services provided by SARS.

3.6 Tax Practitioners Preference for Dedicated SARS Service

Table 4: The Preferred SARS Dedicated Service

SARS mobile service office	129 (14.9%)
SARS kiosks	168 (19.4%)
Dedicated SARS desk	174 (20%)
Dedicated SARS call centre	180 (20.8%)
Dedicated SARS office for tax practitioners	155 (17.9%)
Dedicated teller with SARS office branch	58 (6.7%)

Close to two-third (64.2%) of tax practitioners would like a dedicated SARS unit to serve them. The most preferred services are the SARS call centre, SARS desk, SARS kiosk and SARS office for tax practitioners.

Table 5: Frequency of Potential use of the Above Services

Daily	71 (12.5%)
Weekly	155 (27.4%)
Monthly	151 (26.7%)
Quarterly	139 (24.4%)
Bi annually	30 (5.3%)
annually	20 (3.5%)

Of the respondents who would like a dedicated SARS unit to serve tax practitioners, a quarter each would make use of the services on a weekly, monthly or quarterly basis.

3.7 Tax Practitioners Future Training needs to be Provided by SARS

Tax practitioners prefer to be trained by SARS in the knowledge of organizational skills, taxpayer rights and privileges, South African tax laws, computer skills for accounting, and knowledge of tax codes. The least preferred training is in the handling of grievances.

Table 6: Preferred Training needs of Tax Practitioners

Knowledge of organizational skills	171 (24%)
Tax payer rights and privileges	155 (22%)
Knowledge of tax codes	149 (21%)
South African tax laws	155 (22%)
Tax registration, filling, declaration and payments	106 (15%)
Basic book keeping skills	95 (13.5%)
Computer skills for accounting	151 (21.5%)
Handling of grievances	45 (6.5%)
other	18 (2.7%)

3.8 Frequency of Training to be provided by SARS as Required by Tax Practitioners

Majority of tax practitioners want SARS to provide such training on quarterly basis, while a very close 23.2% would like training to be organized on monthly basis.

4. Summary and Conclusion

This study reports the results of a survey of the taxpayer service needs of tax practitioners. The needs analysis is the process by which the taxpayer segment compliance levels are evaluated and their compliance needs are identified. Information about the taxpayer service needs of tax practitioners were identified using a structured survey questionnaire. The South African tax practitioner is highly skilled and has some form of professional qualification. Close to three quarters (73.4%) of those surveyed were registered tax agents. They use computerized system of accounting. The use of excel spread sheet is popular amongst tax practitioners in South Africa. They file tax returns on behalf of their clients and they do so electronically.

Tax Practitioners normally visit SARS websites for various reasons but most importantly, for seeking information on tax matters, registering themselves or their clients as taxpayers, commencing and completing the process of e-filing and updating their knowledge about tax laws and other matters. The availability of a fully functional SARS website is hence important to them.

More than three quarters (76%) of tax practitioners find the assistance provided by SARS officials during the tax compliance process to be very helpful. They therefore overwhelmingly need assistance from SARS.

Tax practitioners prefer communication via email, internet, letters in the post, television and telephone calls. Tax practitioners prefer to be trained by SARS in the knowledge of organizational skills, taxpayer rights and privileges, South African tax laws, computer skills for accounting, and knowledge of tax codes. The least preferred training is in the handling of grievances.

References

- Ali, Merima, Odd-Helge Fjeldstad and Ingrid Hoem Sjursen, (2013). Factors affecting tax compliant attitude in Africa: Evidence from Kenya, Tanzania, Uganda and South Africa. Paper prepared for Centre for the Study of African Economies 2013 Conference, Oxford, 17-19 March 2013
- Alm J., Todd C., Jones M., and McKee M. (2011). Taxpayer Information Assistance Services and Tax Compliance Behavior. Tulane University, Economics Working Paper Series, Working Paper 1101, April
- Boyatzis, R.E. (1982). *The Competent Manager: A Model for Effective Performance*, John Wiley & Sons, New York, Budget Policy Dep't Ministry of Finance, Planning and Economic Development, Uganda 4th CABRI Seminar Accra, Ghana December 2007. available at www.finance.go.ug
- Chen Loo, E. and Keng Ho, J. (2005). Competency of Malaysian Salaried Individuals in Relation to Tax Compliance under Self Assessment, *Journal of Tax Research* 2005, available at <http://www.austlii.edu.au/au/journals/eJTR/2005/3.html>
- Coleman, C., and Freeman, L. (1997). Cultural foundations of taxpayer attitudes to voluntary compliance. *Australian Tax Forum*, 13(3), 311–336.
- Grampert, M., (2001). Taxpayer Services. A paper at the World Bank website on Tax Policy and Administration, available at <http://www1.worldbank.org/publicsector/tax/taxpayers.html>
- Hite, P.A. (1997). An investigation of moral suasion and vertical equity arguments on intended taxpayer compliance. *Law and Policy*, 19(1), 1–22.
- Jackson, B. R., and Jaouen, P. R. (1989). Influencing taxpayer compliance through sanction threat or appeals to conscience. *Advances in Taxation*, 2, 31–147.

- Jackson B.R and Milliron V.C (1986). Tax compliance research: Findings Problems and Prospect, *Journal of Accounting Literature*, 5:125-161
- Jaworski, Bernard, Ajay Kohli and Arvind Sahay (2000). Market Driven versus Driving Markets. *Journal of the Academy of Marketing Science*, 28 (1), 45-54.
- Jenkins, G., and Khadha, R, (2000). Modernization of Tax Administration in Low Income Countries: The Case of Nape, Available at <http://www.cid.harvard.edu/caer2/htmlcontentlpapers/paper68/paper68.htm>
- Killian, S., and Doyle, E. (2004). Tax Aggression among Tax Professionals: The Case of South Africa. *Journal of Accounting, Ethics and Public Policy*, 4(3):159-189
- Kohli, Ajay K. and Bernard J. Jaworski (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 54 (April), 1-18.
- Lee, R. (2012). SARS Focuses On Tax Practitioners' Compliance. *Tax-News.com*, London, Thursday, July 19, available at http://www.lowtax.net/asp/story/front/SARS_Focuses_On_Tax_Practitioners__Compliance___56409.html, accessed on 12-11-2012
- Lin, M.T., and Carrol, C. (2000). The impact of tax knowledge on the perception of tax fairness and attitudes towards compliance. *Asian Review of Accounting*, 8(1), 44-58.
- Long, J.E., and Steven B.C. (1987). The Usage and Benefits of Paid Tax Return Preparation. *National Tax Journal*, 40 (1), 35-46.
- Marshall, R., Smith, M., and Armstrong, R. (2006). The Impact of Audit Risk, Materiality and Severity on Ethical Decision Making; An Analysis of the perceptions of Tax Agents in Australia. *Managerial Auditing Journal*, 21(5), 499.
- McKerchar M. (2001). ATAX Discussion Paper. University of Sydney; Orange, Australia: 2001. The study of income tax complexity and unintentional noncompliance: Research method and preliminary findings.
- Organisation for Economic Cooperation and Development (2007). Improving Taxpayer Service Delivery: Channel Strategy Development, Guidance Note. Forum on Tax Administration , Taxpayer Services Sub-group, May.
- Organisation for Economic Cooperation and Development (2001). Engaging Citizens in Policy-making: information, consultation and public participation. PUMA Policy Brief, No.10, July, p. 6.
- Pretty, I., and Negadi, A. (2012). Tackling 'disturbing' tax evasion and avoidance. *Public Service Europe*, available at <http://www.publicserviceurope.com/article/1969/tackling-the-disturbing-problems-of-tax-evasion-and-avoidance>, accessed on 4-11-2012
- South Africa Revenue Service (2008). Overview of Tax Practitioners in South Africa. Pretoria.
- Steinman, Christine, Rohit Deshpandé, and John U. Farley (2000). Beyond Market Orientation: When Customers and Suppliers Disagree. *Journal of the Academy of Marketing Science*, 28 (1), 109-19.
- Yitzhaki, S. (1974). A Note on Income Tax Evasion: A Theoretical Analysis. *Journal of Public Economics*. 3, 201-202.

The Personal Income Tax Rate in South Africa stands at 45 percent. source: South African Revenue Service. Personal Income Tax Rate in South Africa averaged 41.24 percent from 2004 until 2020, reaching an all time high of 45 percent in 2017 and a record low of 40 percent in 2005. This page provides - South Africa Personal Income Tax Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Personal Income Tax Rate in South Africa is expected to reach 45.00 percent by the end of 2020, according to Trading Economics global macro models and analysts expectations. In the long-term, the South Africa Personal Income Tax Rate is projected to trend around 45.00 percent in 2021, according to our econometric models. 10Y. 25Y. The South African Revenue Service (SARS) is responsible for the collection of taxes within the Republic of South Africa. The mandate and vision of the South African Revenue Service, quoted from their website, is to: "Collect all revenues due. Ensure optimal compliance with Tax, Customs and Excise legislation. Provide a customs and excise service that will facilitate legitimate trade as well as protect our economy and society. One effect of this process is the immediate triggering of capital gains tax liability on all assets the taxpayer has in South Africa. Capital gains taxation is triggered when an asset is disposed of by: sale PDF | The paper discusses satisfaction with services provided by South Africa Revenue Service (SARS) to private sector tax practitioners to enhance tax | Find, read and cite all the research you need on ResearchGate. Tax noncompliance is defined as taxpayer's failure to remit a proper amount of tax. This could be attributed to the complexity or even contradictions in the tax legislation or tax administration procedure (Jackson and Milliron, 1986, p.136; Kesselman