

# Tax Alert: Extension of Individual Income Tax Returns & Tax Incentive Programme

## Tax First Alert

**June 2020**

On Monday, the 15th of June 2020 the Ministry of Finance issued a media release regarding the extension of filing individual income tax returns and the current tax incentive programme.

### Background

Due to the effect of COVID-19 in Namibia and requests received from the public, the Ministry of Finance has extended the deadline for submitting individual income tax returns, as well as, an extension on the current incentive programme which would have initially lapsed on 30 June 2020.

The Ministry of Finance indicated that the extensions will allow all employers to submit their employee tax excel sheets on the Integrated Tax Administration System (ITAS), as well as, promote the registration and usage of online filing by taxpayers.

### Extension on filing of individual income tax returns

The due date for submission of individual income tax returns has been extended from the 30th of June to the 30th of September 2020. The extension only applies for the filing/submission of individual income tax returns and not for the payment of outstanding tax (which is still due on the 30th of June 2020).

### Important considerations for employers

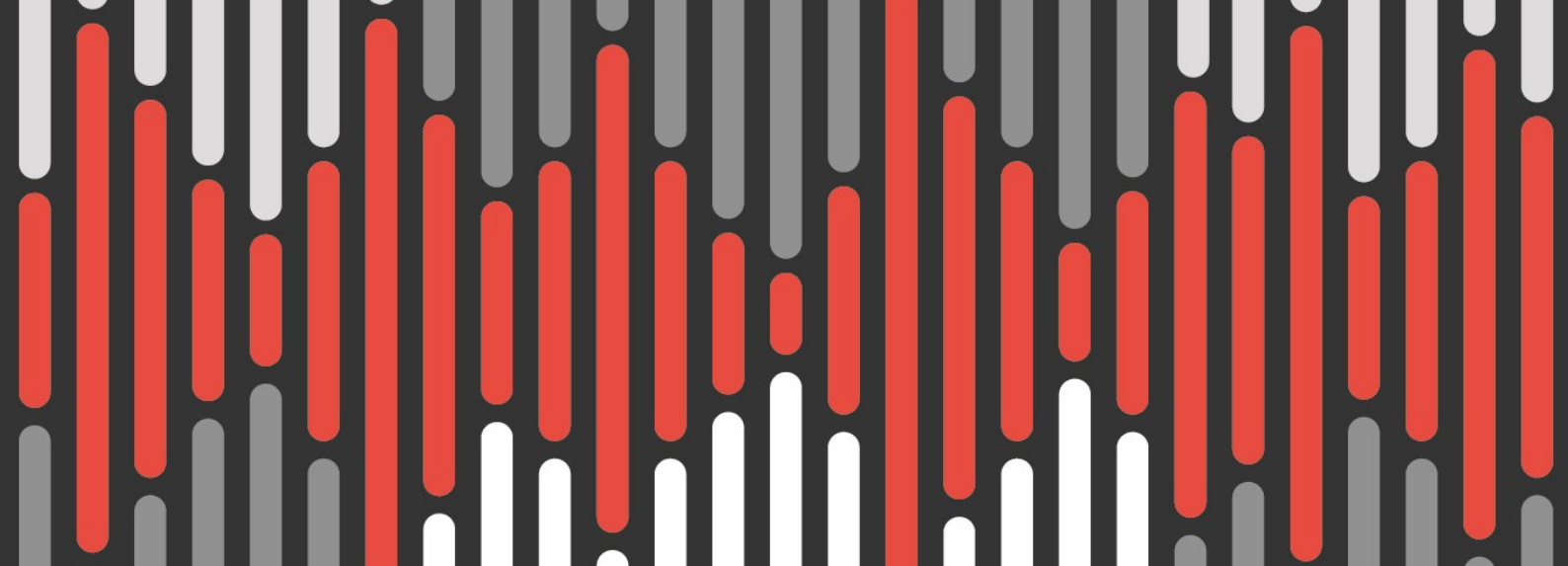
The Ministry of Finance emphasized the importance of employers to submit their monthly detailed employee tax returns for the period March 2019 up to February 2020 online through ITAS, including the uploading of the designated Microsoft excel template or capturing employees' detailed information online.

Furthermore, employers should ensure that PAYE5 certificates are an exact reflection of their monthly employee tax return submissions for the tax year.

The Ministry of Finance further advised that employers should not issue PAYE5 certificates to employees, if such employers did not file their monthly employee tax returns online (as per ITAS requirements).



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On Monday, the 15th of June 2020 the Ministry of Finance issued a media release regarding the extension of filing individual income tax returns and the current tax incentive programme.

### Extension of current tax incentive programme

The tax incentive programme regarding the use of ITAS, in the form of waiving penalties charged on tax accounts will also be extended to the 30th of September 2020.

In order to qualify for this incentive programme, a taxpayer must meet the following requirements:

- Register on the ITAS portal as an e-filer; and
- Update through online submission all tax accounts, for all tax types, in respect of tax returns that might be outstanding.

Should the above requirements be met, automatic waiving of penalties will be done on any of the tax accounts. Taxpayers are therefore not required to complete an application form for penalties to be waived. The Ministry of Finance encourages taxpayers to make use of this tax incentive programme before the due date (30 September 2020).

### In conclusion

Should taxpayers face challenges in using ITAS or uploading the designated Microsoft excel spreadsheet for employee tax returns, the ITAS helpdesk can be contacted via telephone at +264 61 289 4000 or via email at [itas@mof.gov.na](mailto:itas@mof.gov.na)

The Ministry of Finance encouraged taxpayers to register for online filing of tax returns in ensuring faster assessments and avoiding risk such as the spread of COVID-19 where physical filing of tax returns take place.

Attached to this alert (**Appendix A**), is the media release as issued by the Ministry of Finance.



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**REPUBLIC OF NAMIBIA**  
**Ministry of Finance**

**MEDIA RELEASE**

Monday, 15 June 2020

**NOTIFICATION TO THE TAXPAYERS AND THE PUBLIC**

Due to public demand and effects of COVID-19, the Ministry of Finance will extend the deadline of submitting the annual Individual Income Tax Returns from 30 June to 30 September 2020. The extension is necessary in order to allow all the employers to submit their Employee Tax (ETX template/excel sheet) on the Integrated Tax Administration System (ITAS) portal.

An Individual Income Tax return declaration is validated against the information submitted by the Employer, hence assessments for employees will not be completed when such employer has not submitted all monthly returns, and these assessments will be placed on hold by the system waiting for all PAYE returns for the year to be submitted online by the employer.

We therefore want to urge all the employers to submit their monthly detailed ETX returns from March 2019 to February 2020 by uploading the designed Microsoft excel template or capturing employees' details information online, if not submitted will have a greater negative effect on the employee's annual individual submissions. Employers should also ensure that PAYE 5 certificates are an exact reflection of their monthly ETX submissions for the tax year.

Employers are further advised not to issue PAYE 5 certificates to employees if they (employers) did not file their ETX returns online as per the ITAS requirements.

Please note that this extension is only for the filing of returns but not for payment of tax which might be due by the 30<sup>th</sup> June or any other date after end of June.

Taxpayers are further informed that the deadline for the incentive programme for using online tax system in the form of waving penalties charged on tax accounts will also be extended to the 30<sup>th</sup> September 2020.

In order to qualify for this incentive, a taxpayer must meet the following conditions:

- i. Register on ITAS portal as an e-filler; and
- ii. Update through online submission all tax accounts for all tax type in respect of tax returns that might be outstanding.

Once the taxpayer has fulfilled the above conditions, penalties charged on any of the tax account will automatically be waived. That means the taxpayer does not need to make any form of application to have the penalties waived.

We therefore wish to urge all taxpayers to make use of the opportunity before the due date.



Once again, the Ministry encourages Taxpayers to register and file their tax returns online for quicker assessment outcomes and avoid physical submission that can expose them to risks such as COVID-19.

Taxpayers who are experiencing challenges in respect of uploading the ETX Microsoft excel sheet are advised to contact their nearest Inland Revenue Office for assistance, alternatively contact the ITAS helpdesk at Tel +264 61 2894000, Email: [itas@mof.gov.na](mailto:itas@mof.gov.na)

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