

# VAT Vendors Beware

COULD you please warn all registered Value Added Tax vendors to beware of the latest absurdity that the Receiver of Revenue has come up with.

If your VAT payment is late or your cheques bounces, then they enforce section 68 (1) of the Value Added Tax Act which states. "A person who fails to pay any tax payable under this act on or before the due date for payment shall be liable for the payment of a penalty which is the greater of an amount of N\$100.00 for each day during which the tax payment remains outstanding" etc. This happened to a client of mine who had to pay an amount of N\$ 1 100.00 but forgot to sign the cheque that he used for the payment. The cheque was therefore refused by the bank and the Receiver claimed in excess of N\$13 000.00 in penalties as well as N\$ 1800.00 in interest. Well, this is where they are wrong.

If the officials from the Revenue offices would take the time and effort and carry on reading section 68 of the same Act, they

will notice under the same section, namely subsection 2, it states quite clearly and I quote: "The penalty imposed under subsection 1 shall not exceed the amount of unpaid tax", unquote. This means that when a person owes N\$1100.00, the maximum penalty may only amount to N\$1100.00. Therefore, if a taxpayer fails to hand in a Nil return, then no penalties may be imposed.

I would be grateful to your newspaper if these facts could be taken up with our Receiver of Revenue and our readers accordingly informed. I wonder how many taxpayers have already paid amounts in excess of what they had to. The responsible officer at the Receiver is a Mr. Kenny Cloete, I attach copies of the relevant sections of the Value Added Tax Act, 2000. (Act 10 of 2000).

**Accountant, WINDHOEK**

*Note: Real name and address provided and withheld at writer's request. - Ed*