

Improving the administration of donations tax in South Africa



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Background: Compliance with donations tax regulations in South Africa is a burdensome process, which may lead to taxpayers inadvertently evading this tax liability.

Aim: The article aims to recommend practical actions, through implementing technology, that can be taken by the South African Revenue Service (SARS) to improve the current administration of donations tax. The South African Revenue Service's current effectiveness in donations tax administration and the incidence of donations tax avoidance, as perceived by tax practitioners, are also explored in support of making the recommendations.

Setting: Presently, donations tax does not form part of the e-filing system, and returns must be submitted through the SARS Online Query System. Improving the donations tax administration process may minimise the possibility of taxpayers not declaring donations and evading a tax liability.

Method: A quantitative approach was followed by collecting data through a questionnaire from registered tax practitioners. Data were analysed using descriptive statistics with some thematic analysis on open-ended responses.

Results: The results suggest that the manual process may contribute to taxpayers evading donations tax, while SARS fails to conduct regular audits and verifications in this area. Adding donations tax on e-filing and the use of technology and artificial intelligence will improve the process.

Conclusion: Simplifying the process for submitting and paying donations tax liabilities may increase voluntary compliance among taxpayers who display negative motivational postures. The tax administration could also improve its detection of such liabilities through the use of technology.

Contribution: Even with recent improvements in the administration of donations tax, it still includes manual interventions, and the article contributes by providing evidence from theory and practice to suggest practical improvements to the process.

Keywords: donations tax; digitalisation; motivational postures; tax administration; tax compliance; technology.

Introduction

'A donation is any gratuitous (free or at no charge) disposal of property, including any gratuitous waiver or renunciation of a right' (Section 55[1] of the *Income Tax Act, No. 58 of 1962* [the Act]). Donations tax is levied at a rate of 20% on the aggregated value of property donated not exceeding R30 million, and at a rate of 25% on the value exceeding R30 million (Section 64[1] of the Act), with the first R100000.00 of property donated in each year of assessment by a natural person being exempt. The aggregate value of property donated commences from 01 March 2018 to the date of the current donation (Section 56[2][b] of the Act & South African Revenue Service [SARS] 2025). Certain donations remain exempt, including those to qualifying public benefit organisations and donations between spouses (Section 56(1) of the Act). The tax is payable by the donor and is governed under Sections 54–64 of the Act. Since 1955, donations tax has been a part of South African tax legislation, yet according to annual tax collection statistics from 1955 to 2022, donations tax accounts for less than 1% of total annual tax collections (Arendse 2017; SARS 2022). This article suggests that inefficient administration of the donations tax in South Africa may be one of the reasons contributing to the insignificant tax collections. The South African Revenue Service only recently (in May 2025) announced that donations tax declaration forms (the IT144 form) can be filed online through the SARS Online Query System (SOQS) (SARS 2025). Previously, taxpayers were required to submit a manual IT144 form at a SARS branch

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office or by email, with the relevant proof of payment to declare that a donation had taken place (SARS 2025). Although the filing process may have been made easier, it still requires a three-step process, which involves the taxpayer needing to download the form, complete it and then upload it on the SOQS platform (alternatively, the IT144 form can still be submitted to SARS via a designated email address). For the purpose of this article, this process is referred to as a 'manual' process. Okunogbe's (2022) research indicates that manual record-keeping systems impede the efficient collection of tax revenue, whereas technological tools can process and analyse large volumes of data at unprecedented speeds. More than 20 years ago, the Organisation for Economic Co-operation and Development (OECD 2004) reported that effective compliance risk management depends on a tax authority's ability to process and interpret large volumes of information to generate actionable insights – this takes far longer to achieve through manual systems than when using technology. Automated business processes through the use of technology can result in seamless and efficient services for taxpayers and ensure higher levels of compliance (OECD/AUC/ATAF 2024). Even though South Africa has an e-filing system, donations tax is not a tax type on the SARS e-filing platform, and submission of a donations declaration requires uploading of the IT144 form and subsequent payment of the donations tax on two different platforms. While the IT144 must be uploaded on the SOQS platform, the payment must be made on the e-filing platform (SARS 2025). Therefore, SARS relies on the taxpayer's voluntary declaration to determine that a donations tax transaction has taken place. This may suggest that SARS's reliance on administering donations tax through the voluntary 'manual' submission of a form hinders its ability to detect donations tax transactions outside of the submitted IT144 forms. These findings are supported by the results from a questionnaire presented in this article that suggests that taxpayers may be evading and avoiding donations tax in South Africa because of SARS's reliance on the manual process to administer donations tax. Failure to declare a donation made may lead to an understatement 'which may incur a penalty if the magnitude of the wrongdoing by the taxpayer can be quantified as a shortfall' (SARS 2018:14). An understatement is defined in Section 221 of the *Tax Administration Act 28 of 2011* (the TAA) as: '... any prejudice to SARS or the fiscus as a result of – a) a default in rendering a return; b) an omission from a return'. The amount of the penalty is calculated as a percentage of the shortfall caused by the understatement. This percentage is prescribed in Section 223 of the TAA and illustrates that 'the regime is designed to sanction an understatement only when the trigger that causes it springs from culpable or blameworthy behaviour' (SARS 2018:17). Such blameworthy behaviour includes 'Reasonable care not taken in completing return' and 'Gross negligence' (Section 223 of the TAA). If the administration of donations tax could be improved by, for example, adding it as a tax type on e-filing, taxpayer exposure to penalties may be reduced. It is acknowledged that tax is not voluntary; however:

[T]he widespread use of the term 'voluntary compliance' recognises that in many parts of the current tax system, taxpayers make choices as to the reporting, calculation and payment of tax. (OECD 2020:11)

These choices include the choice of how much effort to make to do things right, for example, to complete forms correctly and comply with deadlines (OECD 2020). Considering the nuanced nature of taxpayer behaviours and that taxpayers differ in their motivations to pay tax, a one-size-fits-all approach in encouraging and ensuring tax compliance cannot be adopted by the tax authority. Instead, a tailored response is required (Braithwaite 2003). This article aims to explore the current effectiveness of the administration of donations tax in South Africa and to present an argument that technology can be used to influence taxpayer behaviour and improve compliance with donations tax.

Theoretical framework

There is a direct relationship that exists between the actions taken by taxpayers and the decisions made by the tax authority (Braithwaite 2003). Tax administrations globally recognise the importance of making it easy and seamless for taxpayers to meet their tax obligations (OECD 2023). Inefficiencies in tax administration services may frustrate taxpayers and indirectly play a role in motivating some taxpayers to commit tax evasion (Falsetta & Spilker 2025). Braithwaite (2003) found that taxpayers differ in their motivation to pay tax and suggested that taxpayers hold the following five motivational postures: commitment, capitulation, resistance, disengagement and game playing. Taxpayers with postures such as commitment and capitulation have a positive orientation towards tax compliance. However, taxpayers with postures of resistance, disengagement and game playing have a negative orientation towards paying tax. The commitment posture is held by taxpayers who feel a moral obligation to pay their fair share of taxes. This group of taxpayers may thus be likely to put in the effort to 'do things right' and declare their donations tax transactions through the manual system. Similarly, taxpayers with a posture of capitulation are likely to choose to comply, but rather because they perceive the tax authority as a legitimate power that will remain benign if one cooperates (Braithwaite 2003). On the other side of the posture spectrum, the posture of resistance refers to taxpayers who doubt the intentions of the tax authority, while disengaged taxpayers are even more resistant and have moved beyond seeing any point in challenging the authorities, to the extent that they strive to be undetected by the tax authority (Braithwaite 2003). Game players have a particular kind of attitude to law, seeing it as 'something to be moulded to suit one's purposes rather than as something to be respected as defining the limits of acceptable activity' (Braithwaite 2003:19). These groups of taxpayers may choose to make little effort to comply and may need some enforcement (Braithwaite 2003). To achieve consistency between attitudes and actions, certain attitudes must be paired with certain actions (Braithwaite 2003), which is in

line with the OECD (2023) report that many tax administrations are turning to behavioural insight techniques to try and encourage compliance. Understanding the elements that influence taxpayer compliance behaviours is crucial when selecting the appropriate method of treatment, which can be achieved by addressing the following questions: What is occurring, who is doing it, and why are they doing it? (OECD 2004). In the context of donations tax, it can be asked if taxpayers are fully declaring their donations tax transactions to SARS through the manual IT144 form. If non-compliance is suspected, the reason may lie with a perception that the manual process to administer donations tax is complicated and cumbersome, and a perception that SARS does not have adequate internal controls to detect donations tax transactions outside of the manually submitted IT144 forms. In line with Braithwaite's (2003) motivational posture theory, tax compliance can thus be encouraged by tax authorities by making it easier for taxpayers to comply, on the one hand, but on the other hand, by displaying credible detection and enforcement mechanisms. Kirchler's (2007) Slippery Slope Framework of tax compliance supports a similar assumption on the role of tax authorities in encouraging compliance. The framework suggests that tax compliance can be attained by increasing levels of power and trust. Where there are high levels of power exhibited by authorities, enforced tax compliance increases, and where there are high levels of trust in tax authorities, voluntary tax compliance increases (Kirchler 2007). Tax authorities may be perceived as having high levels of power when audit rates, detection probabilities, and fines for non-compliance are high, while trust in authorities is built in a climate of cooperation where taxpayers experience support and just procedures from the tax administration (Kirchler, Hoelzl & Wahl 2008). Circumstances may tempt taxpayers and create opportunities for non-compliance that tempt people to do things that they would not normally do (Carver & Scheier 1998). Similarly, Bandura (1986) found that circumstances may create barriers that prevent people from doing what is expected of them. If a taxpayer has an opportunity to not comply and believes that there is minimal risk of being detected, the taxpayer is likely to be non-compliant (OECD 2004). This observation, and the assumption made earlier that taxpayers may find the submission of donations tax declarations cumbersome, may account for the perception that many taxpayers under-declare their donations tax transactions, as evidenced by the results in this article.

Objective

The main objective of this study is to recommend practical actions, through implementing technology, that can be taken by SARS to improve the current administration of the donations tax. In supporting these recommendations, the study needed to determine:

- whether SARS regularly conducts donations tax audits; has sufficient internal controls to detect donations transactions; and if donations tax assessments are regularly raised;

- whether taxpayers may be avoiding or evading donations tax in South Africa because of SARS's reliance on the manual process to administer donations tax; and
- whether tax practitioners support the idea of adding donations tax as a tax type on e-filing.

Below, a review of the literature on the relationship between the use of technology by tax administrations is presented to strengthen the argument that technology can be effectively used to influence taxpayers' compliance behaviour.

Technology and tax compliance

Jannah, Kistyanto and Witjaksono (2024) found that e-services such as e-filing and e-payment systems significantly influence tax compliance. These findings are supported by Mukuwa and Phiri (2020), who suggest that e-services do not just improve tax compliance rates but also improve tax collections. In addition, Kamil (2022) suggests that in the future, artificial intelligence will become integral in tax reformation programmes because it can encourage taxpayer compliance behaviours and detect tax evasion. These findings are supported by Jaloliddin (2023), who suggests that artificial intelligence can analyse large data sets at unprecedented speeds, detect disparities, irregularities and patterns of non-compliance, which can be used by the tax authority to detect non-compliance and applying the appropriate credible enforcement. Third-party reporting is an especially effective tool because it could deprive taxpayers of the opportunity to evade taxes (Tsikas 2020). For donations tax in South Africa, developing technology to make use of third-party reporting may assist in detecting non-compliance. Although prior research suggests that technology can be used to significantly improve a tax authority's detection capacity, influence taxpayer compliance behaviours, and result in increased tax collections, Okunogbe (2022) suggests that the increased taxes may not be sustained unless credible enforcement can be carried out. This means that even though technology is a useful tool in improving tax compliance, it will not be sustained unless the tax authority can identify the non-compliant behaviour and appropriately enforce the provisions of law. Stetsenko and Nishcheretov (2021) suggest that digital transformation is changing how tax authorities and taxpayers interact with one another. Channels of communication have evolved from traditional paper-based methods to digital platforms, which offer convenience and improved accessibility. The OECD (2016) maintains that in the future, all data pertaining to individuals and businesses will need to be digitalised. In South Africa, the hard-copy manual IT144 forms were only recently digitalised and should contribute to satisfying taxpayer service expectations. Defitri and Hidayat (2024) suggest that the adoption of new technologies in the tax administration process reduces the administrative burden bestowed upon taxpayers and enables the tax authority to focus its efforts on supervision and enforcement. Technology simplifies the declaration and payment process, which results in increased tax collections (Jannah et al. 2024). The

adoption of information technology does not just result in increased tax collections but can improve tax administration efficiencies (Adhiatma et al. 2023). The adoption of technology in tax compliance can prevent tax leakages, because if transactions are recorded electronically, there is little room for errors and opportunities for taxpayers to evade tax (Adelakun 2023). The literature reviewed above suggests that tax administration practices should satisfy taxpayer expectations and needs. It therefore supports the suggestion that technology can be used to assist SARS to improve the collection and enforcement of donations tax in South Africa and influence taxpayer compliance behaviours by making it easy for taxpayers who want to comply to be compliant. The administration of donations tax through the current system of uploading an IT144 return to a platform outside of the e-filing system makes it more complicated for taxpayers to comply. The literature also supports the use of technology in the verification of data and the detection of non-compliance. Therefore, SARS may consider using third-party data to improve its ability to identify donations tax transactions outside of the IT144 forms submitted by the taxpayers, which can be used to improve its detection capabilities and enforce the relevant provisions of law.

Methods

The empirical research conducted in this study sought to determine, through tax practitioner experiences, whether SARS regularly conducts donations tax audits and whether taxpayers are evading donations tax because of SARS's reliance on the manual process to administer donations tax. Further, tax practitioners' opinions on adding donations tax as a tax type on e-filing were elicited. The quantitative data sought to find a single definitive truth rooted in positivism, a philosophical approach that suggests that beyond the sphere of all knowledge lies pure logic and mathematics (Comte 2009). To achieve the objectives stated for this article, a quantitative approach was followed by collecting numerical data by means of a questionnaire from registered tax practitioners. Saunders, Lewis and Thornhill (2012) suggest that positivism is not influenced by different perceptions; instead focuses on pure facts from the data obtained. A self-designed questionnaire was sent in 2024 to registered tax practitioners. Section 240 of the TAA prescribes that tax practitioners in South Africa must register with a Recognised Controlling Body (RCB). There are a number of RCBs in South Africa, but the South African Institute of Taxation (SAIT) is the largest tax professional body with more than 9000 registered members and affiliates worldwide (SAIT 2025). Convenience sampling was thus applied to select SAIT-registered tax practitioners, and permission was obtained from the SAIT to invite participants to the study in their weekly newsletter. The tax practitioners could access the questionnaire via a virtual link either from the SAIT's weekly newsletter or from a private message on the LinkedIn platform. The questionnaire was available for a period of 1 month. The rationale behind only sending the questionnaire to registered tax practitioners was to ensure that the data obtained were from registered professionals who have the

necessary knowledge and experience to provide meaningful data that could be relied upon to draw valid conclusions. The questionnaire was viewed by 243 people, of whom 124 responded. From the 124 responses, 57 respondents began the questionnaire but did not complete it. The remaining 67 respondents completed the full questionnaire, and it is believed that this was a reasonable response rate to conduct a meaningful statistical analysis, mainly using descriptive statistics. The questionnaire was completed by 67 registered tax practitioners who were predominantly male between the ages of 25 years and 44 years, and had varied work experience. Participants included tax practitioners at different stages within their careers in the field of taxation, with the majority (70%) of participants having been in practice for more than 5 years. Analysis of the collected data was done by means of descriptive statistics using frequency tables and graphs generated with Excel. In a few instances, participants were asked to provide a reason for their answers. These were grouped according to central themes detected in the answers and included in the discussion of the results. Themes were derived from line-by-line coding of responses, allocating descriptive codes to sections of responses to capture the reasons conveyed by participants. Codes were then categorised into themes and reported as such in the study.

Limitations

The sample size is small; only 67 usable responses were received. Therefore, the results cannot be generalised to the broader population of tax practitioners in South Africa. Care was thus taken to present the results as the opinions of the participants in the study, not as those of tax practitioners in general. The study did not consider the reasons why SARS only recently introduced an online submission of donations tax returns and why SARS previously relied on the email or branch submission process to administer donations tax, despite having the technology to digitalise this tax type. In addition, the study did not conduct an in-depth investigation into SARS's internal control procedures to administer the donations tax in South Africa.

Ethical considerations

Ethical clearance to conduct this study was obtained from the University of Johannesburg School of Accounting Research Ethics Committee (No. SAREC20240314/06). All participants provided their consent before completing the questionnaire, and no personal data were collected other than participants' gender and their work experience in the tax field, expressed as the number of years working.

Results and discussion

This section discusses the key findings obtained from the questionnaire and is structured according to four aspects: (1) encounters with donations tax; (2) donations tax audits or verifications; (3) perceptions on the avoidance and evasion of donations tax in South Africa; and (4) perceptions on adding donations tax as a tax type on e-filing.

Encounters with donations tax

Table 1 details the number of IT144 donations tax return forms submitted by the participants within their careers as tax practitioners. Although there is evidence that some practitioners have dealt with quite a few such returns (more than 30 returns), it is clear that an IT144 return is not regularly dealt with by the majority of the participants.

Experience with donations tax audits or verifications

The provisions of Section 59, read in conjunction with Section 60 of the *Income Tax Act*, grant SARS the power to raise donations tax assessments and recover the tax from the donor or donee or both if the tax has not been paid. The participants were therefore requested to indicate how many of these assessments they had encountered within their careers. Table 2 illustrates the number of these assessments encountered by the participants.

It is clear from Table 2 that most of the participants (67%) had never seen these donations tax assessments, and only 27% had seen between one and five of these assessments within their career. Compared to the small number of participants who reported having encountered more of these assessments during their careers, the findings suggest that although SARS does raise such assessments, one may question whether it adequately imposes the provisions of Section 59 read in conjunction with Section 60 of the *Income Tax Act*. Participants were further asked about their experience or perception of the regularity with which SARS conducts audits or verifications for donations tax. Figure 1 illustrates the participants' responses.

It is evident from Figure 1 that most of the participants (60%) were of the view that SARS either never or rarely conducts audits or verifications pertaining to donations tax, compared to the participants who believed that SARS always (3%) or often (10%) conducts audits or verifications on this tax type.

TABLE 1: Number of IT144 donations tax return forms submitted.

IT144 returns submitted	Frequency	%
0 returns	18	27
1–5 returns	19	28
6–10 returns	8	12
11–20 returns	5	8
21–30 returns	2	3
More than 30 returns	15	22
Total	67	100

TABLE 2: Donations tax assessments encountered by the participants.

Assessments encountered	Frequency	%
0 assessments	45	67.0
1–5 assessments	18	27.0
6–10 assessments	1	1.5
11–20 assessments	1	1.5
21–30 assessments	0	0
More than 30 assessments	2	3.0
Total	67	100

In providing reasons for their views, the participants who stated that SARS rarely or never conducts donations tax audit or verification cases mainly attributed the reason to not encountering such audits within their career. However, considering that most of the participants had encountered the submission of an IT144, as is evident from Table 1, it is suggested that even though SARS does conduct audits or verifications on donations tax, SARS does not do so regularly. This may point to a perception by taxpayers that SARS does not exhibit high levels of power, and based on the assumptions of the Slippery Slope Framework and Motivational Posture theory discussed earlier, it may lead to taxpayers evading or avoiding the payment of taxes. Empirical evidence by Mardhiah, Miranti and Tanton (2023) confirms that audit probabilities have a significant positive correlation with power, and although they did not find a significant correlation between power and enforced compliance, they advise that tax authorities should use deterrent approaches, such as audits and penalties, to raise rational taxpayers' awareness of the power of authorities. Kogler et al. (2022) also observed that audit probability has a stronger influence on the compliance decision than fines. The participants were also requested to advise whether they believe SARS has adequate internal controls to detect donations tax transactions, considering the current process SARS uses to administer donations tax. Figure 2 illustrates the participants' views.

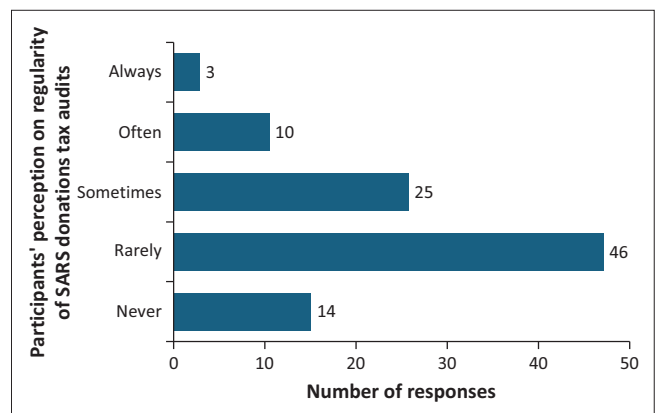


FIGURE 1: Frequency of donations tax audits or verifications.

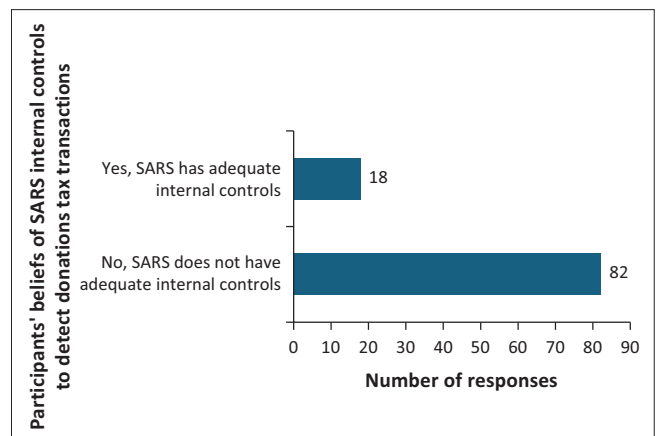


FIGURE 2: South African Revenue Service's ability to detect donations tax transactions.

Figure 2 shows that 82% of the participants were of the view that SARS does not have adequate internal controls to detect donations tax transactions, while only 18% of participants maintained that SARS has adequate internal controls to detect donations tax transactions. These findings indicate that SARS's reliance on the manual process to administer donations tax hinders its ability to adequately detect donations tax transactions outside of the submitted IT144 forms. The participants provided various reasons for their views, which were centred around three themes:

- The South African Revenue Service's lack of resources to adequately detect donations tax transactions.
- A perception that it is easy for taxpayers to get away with simply not declaring their donations tax transactions without any consequences.
- The process of submitting IT144 forms hinders SARS's ability to identify donations tax transactions.

The first two themes above are supported by findings from the literature. Tsikas (2020) notes that inefficient or even a complete lack of tax enforcement will likely lead to a loss of trust in authorities. Cooperative taxpayers who perceive that people are free-riding and exploiting the tax system might react with increased evasion if they notice that tax authorities are not acting against these exploiters and free-riders. Further, Mardhiah et al. (2023:393) suggest that 'tax evaders need to be fairly punished to show respect for honest taxpayers'. The third theme, on the process being a hindrance, aligns with Falsetta and Spilker's (2025) findings that tax administration service inefficiencies encourage taxpayer tax evasion intentions. Falsetta and Spilker (2025:15) suggest that more funding should be allocated for 'taxpayer services and modernising computer systems that would encourage and assist taxpayers with compliance at the time of filing tax returns and improving processing times'. The processes of preparing and filing returns, and the payment and refund of taxes, have been identified as an element that contributes to tax complexity arising from the administrative processes within a tax system and may lead to taxpayer frustration (Hoppe et al. 2023). The importance of improved service quality, by improving the efficiency of tax return submission procedures and processing of returns, is underscored in this theme.

Tax practitioner observations on the avoidance and evasion of donations tax in South Africa

The participants were requested to indicate whether they believed that there is an avoidance or evasion of donations tax in South Africa because of SARS's reliance on the taxpayer declaring the donations tax transaction through having to upload the IT144 form. Figure 3 shows the participants' views.

It is evident from Figure 3 that 77% of the participants were of the view that taxpayers are avoiding or evading donations tax in South Africa because of SARS's reliance on the manual process to administer donations tax, compared to the 23% of

participants who maintained that there is no avoidance or evasion of donations tax in South Africa. Two themes could be detected in the responses provided as a reason for their answers. Firstly, participants mainly attributed their belief to SARS not having adequate internal controls to identify undeclared donations tax transactions, which some taxpayers then take advantage of. Secondly, the belief was expressed that taxpayers do not understand their tax obligations. The second theme, understanding tax obligations, touches on an important finding from the literature on tax compliance, namely that tax knowledge is regarded as an important determinant of tax compliance (Chardon, Freudenberg & Brimble 2016; Loo, McKerchar & Hansford 2009; Nichita 2015). In the context of donations tax, it can be argued that taxpayers are not aware of the tax implications of making a donation, especially because it is not a tax type on the SARS e-filing platform, where taxpayers normally file their annual income tax returns.

Adding donations tax as a tax type on South African Revenue Service e-filing

The participants were requested to advise whether they believed that adding donations tax as a tax type on SARS e-filing would simplify the submission and payment process. Figure 4 shows the participants' responses.

It is evident from Figure 4 that most of the participants (79%) were of the view that adding donations tax as a tax type on SARS e-filing would simplify the declaration and payment process. The main reasons cited for this view can be categorised into three themes as follows:

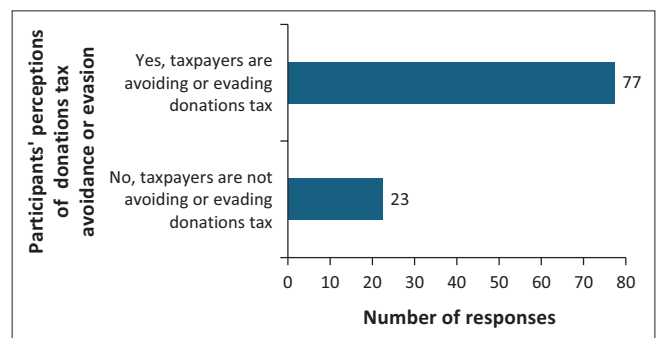


FIGURE 3: Participants' perceptions of avoidance and evasion of donations tax in South Africa.

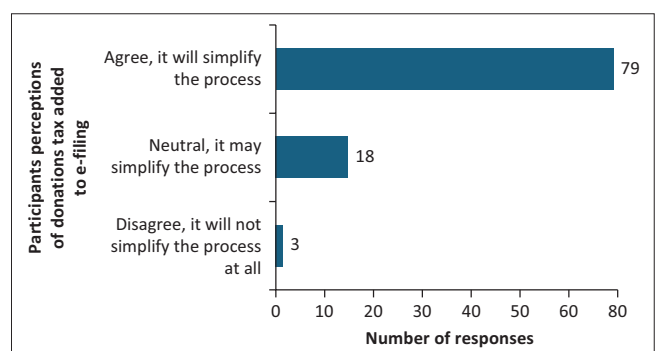


FIGURE 4: Participants' perceptions of adding donations tax as a tax type on e-filing.

- technology is making it easier for taxpayers to be tax compliant,
- the digitalisation of this tax type will make record-keeping easier, and
- the digitalisation would ease the administrative burden currently placed on taxpayers who want to submit a donations tax declaration to SARS.

In all three themes, it is recognised that the administration of donations tax in a manner that taxpayers are more familiar with, namely, using the e-filing platform, will make it easier for taxpayers to comply with the donations tax provisions in the Act.

Conclusion and recommendations

The study argued, based on a review of applicable literature, that technology can be used to assist SARS to improve the collection and enforcement of donations tax in South Africa and influence taxpayer compliance behaviours by making it easy for taxpayers who want to comply to be compliant. The literature also supports the use of technology in the verification of data and detection of non-compliance, for example, using third-party data. The results from the questionnaire employed in the study to obtain perceptions from tax practitioners on the current process of administering donations tax in South Africa suggest that SARS does not have adequate internal controls to detect donations tax transactions outside of the submitted IT144 forms. Participants further believed that this makes it easy for taxpayers to evade or avoid the donations tax in South Africa. A lack of awareness of this tax obligation by taxpayers was also pointed out. Although some participants encountered donations tax audit or verification cases, it is inferred that SARS may not be doing so regularly, as the majority of the participants had never encountered a donations tax audit or verification case. The results also give rise to the question whether SARS is adequately enforcing its power to raise donations tax assessments and recover the tax from the donor and or donee, as most of the participants had never encountered such assessments within their career working as a tax practitioner. On the suggestion that donations tax should be added as a tax type on SARS e-filing, the majority of the participants voted in favour and thought that it may improve the submission and payment process. Based on one of the assumptions of the motivational posture theory that taxpayers with a positive orientation towards paying taxes should be assisted in a way that makes it easier to comply, the study therefore recommends that SARS add donations tax as a tax type on SARS e-filing. Such a step may improve its service delivery and make it easier for taxpayers to be compliant as well as reduce taxpayers' exposure to understatement penalties as a result of reasonable care not taken or gross negligence when completing tax returns. The literature reviewed also supports the notion that e-services, such as e-filing and e-payment systems, substantially influence tax compliance by making it easier for taxpayers to be compliant. It is further recommended that SARS uses third-party reporting to obtain additional information pertaining to donations tax transactions to expand its detection capabilities

beyond the IT144 forms submitted by the taxpayers. This statement is supported by the literature that suggests that the adoption of technology through the use of third-party reporting streamlines the tax process and positively impacts tax compliance. In addition, SARS can regularly conduct donations tax audits and verification cases to further improve its detection capacity and apply appropriate credible enforcement to ensure that taxpayers with a negative attitude towards paying taxes have a greater motivation to comply with donations tax laws. Artificial intelligence tools are becoming an integral part of future tax reformation programmes because of their ability to analyse large data sets at unprecedented speeds and detect irregularities, which can assist tax authorities in detecting non-compliance and apply appropriate credible enforcement. The literature further suggests that tax leakages that arise from the abuse of the provisions of law can be prevented by adopting technological advancements to administer tax compliance. This is on the basis that if transactions are electronically recorded, there is little room for error. The literature supports the idea that technology plays a role in improving tax compliance, either by making it easier for taxpayers to comply or by enhancing detection capabilities for tax authorities. The study confirmed that in the case of the donations tax in South Africa, there is a case to be made to use technology to improve compliance. Firstly, by adding a donations tax to the e-filing platform, which will ensure that taxpayers have to consciously consider if they have any donations to declare. If they have, the process of declaring the transaction, assessing and paying the tax in question would be simplified. Secondly, the tax administration can use technology to facilitate third-party reporting for the purpose of improving its detection capabilities, to identify donations tax transactions outside of the submitted IT144 forms, which will streamline the tax process and improve donations tax compliance rates. South African Revenue Service (2025) recently announced that taxpayers can now submit their donations tax returns on the SOQS. Although this is a step in the right direction in making it easier for taxpayers with positive motivational postures to be compliant, only adding donations tax as a tax type on e-filing may not be enough to motivate taxpayers with negative motivational postures to comply. Regularly conducting donations tax audits and utilising technological tools to improve its detection capabilities may also be required. Future research may explore taxpayers' and tax practitioners' experience with the SOQS too, to make stronger recommendations on the administration of donations tax specifically and the use of technology to make it easier for taxpayers to comply in general. It is also recommended that research be conducted on the use of third-party data by tax administrations to detect donations.

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adapted into a journal article for publication. The original thesis is available at: <https://hdl.handle.net/10210/517448>.

Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

CRedit authorship contribution

Yolanda Nkambule: Conceptualisation, Formal analysis, Investigation, Methodology. Marina Bornman: Conceptualisation, Formal analysis, Methodology, Resources, Supervision, Writing – original draft, Writing – review & editing. Saajidah Adam: Resources, Supervision, Writing – original draft, Writing – review & editing. All authors reviewed the article, contributed to the discussion of results, approved the final version for submission and publication, and take responsibility for the integrity of its findings.

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Data availability

The data that support the findings of this study are available from the corresponding author, Marina Bornman, upon reasonable request.

Disclaimer

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