Revised list of qualifying physical impairment or disability expenditure

In brief
On Friday, 29 October 2021 SARS issued a revised list, effective from 1 March 2020, of qualifying physical impairment or disability expenditure. This alert highlights the amendments made to the previous list, and available methods to correct a filed 2021 tax return to claim the additional benefit.

In detail

The Commissioner of the South African Revenue Service (SARS) is permitted (in terms of section 6B of the Income Tax Act, 1962) to publish a list of qualifying medical expenditure that is necessarily incurred and paid by a person during a year of assessment as a result of any physical impairment or disability suffered by the person or any dependant of the person who will qualify for an additional medical expenses tax credit.

Private special education needs schools
The previous version of the list that applied with effect from 1 March 2020 (“the 2020 Disability List”) contained a distinction between school fees incurred for private and public special needs schools.

As a result of concerns raised by the public, SARS has now decided to revert to the method of calculating the qualifying medical expenses for school fees as set out in the 2012 Disability List in order to do away with this distinction.
Accordingly, paragraphs 7 and 8 of Part F of the 2020 Disability List have now been amended to read as follows:

- “7. Special education schools for learners with disabilities. Qualifying expenses will include –
  - school assistant or classroom costs; and
  - school fees limited to the amount in excess of the fees that would have been payable if the person attended the closest fee-paying public school not specialising in learners with special educational needs.

- 8. School not specialising in learners with special educational needs, limited to additional expenses incurred and paid as a result of the disability.”

**Tutoring services**

The revised list also includes expenses incurred for tutoring services used by a person with a disability that are supplementary to the primary education as a qualifying medical expense.

**Taxpayers affected by these changes**

Taxpayers whose children living with a disability attend a private special education needs school or use tutoring services.

**How to claim the benefit for the 2021 tax year**

To claim the additional benefits outlined in the revised 2020 Disability List, affected taxpayers who have already submitted a 2021 income tax return should log into their eFiling profile or visit their local SARS branch office (by appointment only) to:

- submit a ‘request for correction’ (RFC); or
- lodge an objection. Note that SARS states in its media release that taxpayers must only lodge an objection if the RFC option is not available for the 2021 year of assessment.