Remarkable education. Created for you.

Dear Parents

SARS REBATE INFORMATION

For parents of children attending a special needs school, there are certain circumstances under which school fees may qualify as a tax deductible expense.

For your convenience we have included the relevant excerpts below, taken from the **"List of Qualifying Physical Impairment and Disability Expenditure"** (effective 1 March 2020) available on the SARS website to download, to be read in conjunction with the SARS Media Release dated 29 October 2021:

"The term "disability" is defined in section 6B(1) of the Income Tax Act as follows – "disability" means a moderate to severe limitation of any person's ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment, if the limitation –

a) has lasted or has a prognosis of lasting more than a year; and
b) is diagnosed by a duly registered medical practitioner in accordance with criteria prescribed by the Commissioner."

Expenditure in this category refers to expenditure incurred and paid by the taxpayer for services acquired by him or her which are required by a person with a physical impairment or disability so that he or she can function or perform daily activities.

Only services that are acquired from an independent service provider who is not a spouse or a relative of a person with a disability (unless the spouse or relative is in the business of providing such service) will qualify.

Examples:

"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."*

"9. Tutoring services used by a person with a disability, and which are supplementary to the primary education of a person with a learning disability or impairment in intellectual or mental functions, and paid to someone in the business of providing such services."

Please also see Clause 3.3.4 on page 18 of the **"Guide on the Determination of Medical Tax Credits (Issue 15)"**, which is available on-line from SARS, and which reads as follows:

"The term "physical impairment" is not defined in the Act. However, in the context of section 6B(1), it is regarded as a disability that is less restraining than a "disability" as defined. This means the restriction or limitation on the person's ability to function or perform daily activities after maximum correction is less than a "moderate to severe limitation". Maximum correction in this context means appropriate therapy, medication and use of devices.

Physical impairments will, for example, include –

- *bad eyesight;*
- *hearing problems;*
- *paralysis of a portion of the body; and*
- *brain dysfunctions such as dyslexia, hyperactivity or lack of concentration."*

In order to enable a successful rebate claim, you would need to complete the relevant sections on your annual tax return; ensure that you have an ITR-DD form completed by the registered medical professional that assessed and diagnosed your child's condition; and ensure that you retain and have available all relevant documentation, for example, all school fee statements, invoices and receipts from medical practitioners, therapists, etc.

We trust you find this information useful and recommend that you consult your tax advisor to find out if you qualify for a rebate on tuition, tutoring and facilitation fees.

Kind regards,

Lynn Gould
DIRECTOR