New learnership incentive tax calculation app from KPMG

KPMG in South Africa has launched the Learnership Incentive Tax Tool (LITT), an app that calculates learnership tax allowances and generates tax schedules for registered learnerships at the press of a button. The objectives of this tax incentive are to encourage the creation of jobs by reducing the cost of hiring new employees, offering learnerships and to encourage skills development in the workplace.

According to Mohammed Jada, head of corporate tax for KPMG in South Africa, the app allows companies to accurately and speedily calculate learnership tax allowances and generates tax schedules at just the press of a button.

“This tool, is an important development for encouraging greater employment and up-skilling the South African workforce. By getting this app, your company not only empowers the people in South Africa, but you will be able to derive government sanctioned additional tax benefits, the savings of which can be re-invested into your business,” says Mohammed Jada, head of corporate tax for KPMG in South Africa.

KPMG LITT is a web-based solution that empowers companies to take control of all the necessary pieces of data required for the additional tax deduction, and provides an automated and efficient processing facility to generate the IT180 tax return form required for tax return purposes.

The incentive is available to employers who have entered into registered learnership agreements on, or after, 1 October 2001 but before 1 April 2022.

The value of the additional deduction companies are able to claim depends on whether the learnership agreement(s) were entered into before, or after, 1 October 2016, and the NQF level of the training on, or after, 1 October 2016. The additional tax deduction that companies can claim is between R20,000 and R60,000 per learner and much more again when the learnership is successfully completed.

“Using KPMG LITT will maximise additional learnership tax deductions for business, with minimum costs of compliance, and provide the comfort of knowing that all required documentation to substantiate the tax deductions is stored and collated in one easy-to-access location,” concludes Jada.