



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PUBLICATION OF THE DRAFT RENEWABLE ENERGY PREMIUM NOTICE IN TERMS OF THE CARBON TAX ACT, 2019 (ACT NO 15 OF 2019) FOR PUBLIC COMMENT

The Carbon Tax Act came into effect in June 2019 to help ease the electricity sector transition and to further promote investments in renewable energy, provision is made for electricity generators to offset additional purchases of renewable electricity against their carbon tax liability for the first phase of the carbon tax until 31 December 2022.

A notice setting out the renewable energy (RE) premium rates applicable for the different renewable energy technologies for the 2019 tax period was gazetted in June 2020 (Government Gazette No. 43453). However, it was brought to the attention of the National Treasury that there is a lack of clarity on the RE premium rates to be used to determine the quantum of the offset for the 2020 tax period since the current notice and RE premiums were only applicable for the 2019 tax period.

To provide policy certainty to taxpayers, changes to the above-mentioned notice are necessary to clarify that the RE premium rates contained in the current notice would be applicable for the 2020 tax period. The new draft notice proposes the removal of the limitation of the tax period for which the RE premium rates would be applicable. This will address any uncertainties for the period between the lapse of the old notice and gazetting of the new notice and avoid delays in the submission of carbon tax returns to SARS by taxpayers for the 2020 tax period. Any possible future adjustments of the RE premium will be made by way of an announcement in the Budget and publication of a draft notice for public consultation.

The National Treasury hereby invites written comments from interested stakeholders on the Draft Renewable Energy Premium Notice.

Comments should be submitted to carbontax@treasury.gov.za by the **close of business on 10 September 2021**. Following receipt and consideration of public comments, changes will be made to the notice and a final notice will be published in the Government Gazette.

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