



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PUBLICATION OF THE 2021 NOTICE FOR THE RENEWABLE ENERGY PREMIUM IN TERMS OF THE CARBON TAX ACT (NO 15 OF 2019) IN THE GOVERNMENT GAZETTE

The Minister of Finance published the Notice for the Renewable Energy Premium in the government gazette (**Gazette No: 45654**) on 15th December 2021 for purposes of Section 6(2) of the Carbon Tax Act (No. 15 of 2019).

The Carbon Tax Act makes provision for taxpayers conducting electricity generation activities to offset the costs of purchasing additional renewable electricity against their carbon tax liability for the first phase of the carbon tax until December 2022. A notice setting out the renewable energy premium rates per kilowatt hour for eligible renewable energy technologies for the 2019 tax period was gazetted in June 2020 (**Gazette No. 43453**). Taxpayers, however, requested clarity on the renewable energy premium rates to be used to determine the tax deduction for the 2020 tax period, as the applicable renewable energy premium rates were limited to the 2019 tax period.

To address the concerns raised by taxpayers, a draft renewable energy premium notice was published for public comment in August 2021 proposing changes to the above mentioned notice and clarifying that the renewable energy premium rates were applicable for the 2020 tax period. This clarification was welcomed by taxpayers and no additional comments were received from stakeholders on the draft notice.

The gazetted 2021 Notice for the Renewable Energy Premium gives effect to the removal of the limitation of the tax period for which the rates would be applicable. Any future adjustments of the renewable energy premium will be made by way of an announcement in the Budget.

The gazetted notice is available on the National Treasury website (www.treasury.gov.za) .

Issued by National Treasury

Date: 21 January 2022

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