



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

RELEASE OF REVISED DRAFT RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL TO INCLUDE THE TEMPORARY REDUCTION IN THE GENERAL FUEL LEVY AND TO REVISE THE EFFECTIVE DATE FOR THE INCREASE IN THE HEALTH PROMOTION LEVY

The Minister of Finance and the Minister of Mineral Resources and Energy yesterday announced a temporary reduction in the general fuel levy, which is to be funded by a liquidation of a portion of the strategic crude oil reserves. The general fuel levy for petrol and diesel will be reduced by R1.50 per litre between Wednesday 6 April 2022 and 31 May 2022.

In the 2022 Budget, the Minister of Finance announced an increase in the health promotion levy of 4.5 per cent to 2.31 cents per gram of sugar for sugary beverages with more than 4 grams of sugar per 100 ml. The increase was to be effective from 1 April 2022. The Minister also announced that consultations will be initiated to consider lowering the 4g threshold and extending the levy to fruit juices. To allow for the consultation process, it is proposed that the effective date of the increase be postponed to 1 April 2023.

The 2022 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill (2022 Draft Rates Bill) includes the tax rate and threshold adjustments that were announced in the 2022 Budget, and includes changes to the personal income tax brackets and rebates, the employment tax and excise duties on alcohol and tobacco, amongst others.

The revised version of the 2022 Draft Rates Bill published today includes the temporary reduction in the general fuel levy and consequential amendments to the levy on biodiesel, which will temporarily decrease to R1.10 per litre over the two-month period between 6 April 2022 and 31 May 2022, alongside similar reductions in the value of diesel refunds for farming, mining and other eligible activities. It also contains the postponement of the date of the increase of the health promotion levy to 1 April 2023.

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