



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

INVITATION TO PARTICIPATE IN THE URBAN DEVELOPMENT ZONE (UDZ) TAX INCENTIVE REVIEW SURVEY

In the 2023 Budget Review, the National Treasury announced an extension of the UDZ tax incentive sunset date to 31 March 2025 to consult stakeholders as part of a review of the incentive. Public consultation is key in any policy review process and the National Treasury would like to call on all interested parties to participate in the UDZ tax incentive online survey.

The UDZ tax incentive aims to address urban decay by stimulating property development in South Africa's inner-city areas demarcated as urban development zones. The incentive came into effect in 2004 and is legislated in terms of section 13*quat* of the Income Tax Act (No. 58 of 1962). In the 2024 Budget Review, government estimated that the UDZ tax incentive claims by companies resulted in R2.7 billion in tax revenue foregone for the period 2012 to 2022.

The objective of the survey is to collect data which will assist in evaluating the effectiveness of the UDZ tax incentive in achieving its objectives. Data sourced from the survey will be used to inform future tax policies on whether to continue with the incentive beyond this sunset date and if it continues, whether the current policy design is still appropriate. Decisions on the incentive's future will be based on evidence of its value and impact made to date.

Government values and understands the importance of certainty as the incentive is approaching its sunset date. The decisions regarding the future of the incentive should consider inputs from affected stakeholders. It is within this spirit that this survey is being published for public participation. It aims to provide investors, municipalities and all interested parties an opportunity to share their experiences with the UDZ tax incentive.

Further announcements on this incentive will be made in the 2025 Budget.

Deadline for the survey. The final date for completing the survey is **29 November 2024**.

To access the survey, click on this link: [UDZ Tax Incentive Review Survey](#)
For technical inquiries please email TaxIncentiveReviews@treasury.gov.za for assistance.

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