

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 173 [NW1131E]
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173. Mr K J Mileham (DA) to ask the Minister of Finance:

Whether the (a) import and/or (b) production of electric vehicles attract any additional (i) taxes or (ii) tariffs beyond the normal company tax and/or import duties levied by the Government; if not, what is the position in this regard; if so, what is the (aa) purpose of such taxes and/or tariffs and (bb) total amount of taxes and/or tariffs levied in each case?

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REPLY:

The payment of import or excise duties is based on national policy determined by the Department of Trade and Industry (the dti), as well as on international trade instruments to which South Africa is a signatory. Robust methodologies are followed to ensure that all commodities are classified correctly, and that the South African Revenue Service collects the correct amount of revenue due to the state. Accordingly, the payment of import or excise duties is based on a tariff rate applicable to a specific commodity as determined by the dti.

(a)(b)(i)(ii) In the case of the import and/or production of electric vehicles, Ordinary Customs Duties on importation and Ad Valorem Excise duties, payment of duties based on the customs value of the imported goods, levied by government are applicable. There are no other additional taxes payable on electric vehicles. All Vehicles are classified in Chapter 87 of Schedule 1 of the Customs and Excise Act 91 of 1964. The rates of duty on electric vehicles range

between 0% and 25%.

It is worth noting that there is no differentiation between the treatment of the conventional fuel combustion and electric vehicles with regards to applicable Customs procedures, the rates and tax-types levied during importation or manufacturing locally, for as long as the vehicles belong to the same categories (that is, whether it's a bus, truck, ordinary passenger vehicle, etc.).

However, because SARS administer Ad Valorem Excise duties, which considers both weight and value, the mass of the vehicle will invariably impact on the rate of the duty applicable. Thus, smaller cars may attract smaller rates of duty, although the value may be a differentiating factor if such a smaller vehicle is much more expensive. For an example, an electric passenger vehicle and fuel combustion engine passenger vehicle will attract the same rate of duty or excise if the two are of the same mass and value.