

Have your say on proposals for renewable energy tax incentives

The National Treasury and the South African Revenue Service (Sars) has called on the public to comment on the draft legislative amendments to give effect to the two renewable energy tax incentives, announced in the 2023 Budget.



Image source: Singkham from [Pexels](#)

The proposals, which were published on Friday, assist in partially addressing the country's energy crisis and encourage private investment into expanding electricity generation.

"This initial batch of the 2023 draft Taxation Laws Amendment Bill (TLAB) covers these two specific tax amendments, and are urgent, due to the proposed early effective dates for implementation, and to enhance certainty for individuals and businesses that would like to immediately invest in renewable energy.

"The publication of the initial batch of the 2023 draft TLAB enables an early, and additional, public comment process, that will enable the more detailed second round process of public comment when these provisions are incorporated in the more comprehensive 2023 draft TLAB in July 2023," National Treasury said.

This initial batch of the 2023 draft TLAB is intended to solicit comments on the following two specific and urgent amendments and serves as notice to taxpayers for earlier effective dates of the proposed amendments.



ESG windfall with expanded renewable energy tax incentive

Tsanga Mukumba and Jordan Moonsamy 13 Mar 2023



Expansion of the renewable energy tax incentive

Under the enhanced renewable energy tax incentive, taxpayers who are conducting businesses will be able to claim a 125% tax deduction (in the first year) for qualifying capital expenditure in respect of all renewable energy projects, with no threshold on generation capacity.

The enhanced incentive will be available for a period of two years and apply to investments in renewable energy projects brought into use for the first time on or after 1 March 2023 and before 1 March 2025.

Rooftop solar tax incentive

With respect to the rooftop solar tax incentive, individuals will be able to receive a tax rebate to the value of 25% of the cost of any new and unused solar PV panels, up to a maximum of R15,000.

“The rooftop solar tax incentive will be available for a period of one year and will apply to new and unused solar PV panels that are acquired by the individual and brought into use for the first time on or after 1 March 2023 and before 1 March 2024.

“The draft legislation and the accompanying draft explanatory memorandum containing a comprehensive description of the proposed amendments can be found on the National Treasury (www.treasury.gov.za) and Sars (www.sars.gov.za) websites,” National Treasury said.



#Budget2023: Renewable energy, solar tax incentive introduced for businesses, individuals

22 Feb 2023



Due date for public comments

Written comments can be forwarded to the National Treasury's tax policy depository at 2022AnnexCProp@treasury.gov.za and Sars at acollins@sars.gov.za by the close of business on 15 May 2023.

Public comments may include proposals by body corporates on how the rooftop solar incentive could be applied to members of the body corporate if a body corporate were to install solar PV panels for members' benefit.