

SOUTH AFRICAN REVENUE SERVICE

Explanatory note for publication of the draft carbon tax legislation

SARS hereby publishes the draft secondary carbon tax legislation, which consists of draft Schedule amendments, carbon tax rules, DA 185 and annexure licensing forms and DA 180 and annexures environmental levy account under the Customs and Excise Act, 1964, for public comment.

This draft legislation that was previously published for comment has been revised to incorporate relevant inputs received and updated to reflect recent draft amendments to Carbon Tax Act, 2019, in Taxation Laws Amendment Bill, 2019, and National Greenhouse Gas Emission Reporting Regulations, 2016, in terms of National Environmental Management: Air Quality Act, 2004.

The renewed publication of the draft secondary carbon tax legislation represents the second round of consultation and stakeholders are invited to submit their comments before the due date. Commentators are assured that all inputs will be considered, but should note that SARS does not ordinarily engage on comments received except for purposes of clarification.

The finalisation of this draft legislation is dependent on the parallel processes to amend the Carbon Tax Act, 2019, and National Greenhouse Gas Emission Reporting Regulations, 2016. Hence, the timeline for the promulgation thereof is expected to coincide with the completion of these associated amendment processes towards the end of 2019.

The secondary carbon tax legislation will therefore be concluded before the obligations of taxpayers will arise in respect of licensing in early 2020 and submission of accounts and payments in July 2020. The effective date of this legislation will nonetheless be applied retrospectively to 1 June 2019 when the carbon tax took effect.

SARS will also present public stakeholder workshops in early 2020 to provide guidance to taxpayers on their carbon tax compliance obligations. Further details on the content and dates of these events will be communicated when invitations are extended to role players closer to the time.

DRAFT