

Tax Alert

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Confusion reigns over status of energy saving regulations



On 16th September 2011 the Minister of Energy published the much anticipated regulations in terms of the National Energy Act, 2008 which will serve as the basis for claiming the “energy savings” tax allowances in terms of section 12L of the Income Tax Act introduced in 2009. However section 12L only becomes effective on a date still to be determined by the Minister of Finance which determination has not yet been made.

The media release issued by the Department of Energy indicates that the regulations have been published for public comment for a period of 60 days. The regulations published in the *Government Gazette*, however, are apparently final and make no reference to them being draft and contain no request for public comment. The DoE has however confirmed to us that the regulations are not final and the website now contains a call for public comment.

More confusion was created when SARS published the regulations as final on its website with an effective date of 16 September 2011. SARS’ has in the meanwhile amended its website to confirm that section 12L has not yet come into operation and that comments should be made to the DoE.

While the status of the published regulations remains uncertain, comments can be submitted to the DoE at eetaxregulations@energy.gov.za by 15 November 2011.

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