



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

### **PUBLICATION OF THE 2022 DRAFT TAX BILLS FOR PUBLIC COMMENT**

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The National Treasury and the South African Revenue Service (SARS) today publish, for public comment, the 2022 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill (2022 Draft Rates Bill), the 2022 Draft Revenue Laws Amendment Bill, the 2022 Draft Taxation Laws Amendment Bill (2022 Draft TLAB) and the 2022 Draft Tax Administration Laws Amendment Bill (2022 Draft TALAB). These Bills are published for public comment. All these Bills collectively give effect to the tax announcements made by the Minister of Finance in the February 2022 Budget, and as contained in the 2022 Budget Review.

The 2022 Draft Rates Bill was first published on Budget Day (25 February 2022) and gives effect to the tax proposals announced in Chapter 4 of the 2022 Budget dealing with changes to the rates and monetary thresholds to the personal income tax tables and increases of the excise duties on alcohol and tobacco. It has been revised to include changes tabled by the Minister in Parliament on 31 March 2022 and 31 May 2022 regarding temporary relief on the fuel levy as well as the postponement of the effective date of an inflationary increase in the health promotion levy of 4,5 per cent to 2.31 cents per gram of sugary beverages with more than 4 grams of sugar per 100 ml from 1 April 2022 to 1 April 2023.

The 2022 Draft Revenue Laws Amendment Bill contains proposed amendments dealing with the “two pot” retirement system. The proposed amendments give effect to the previous announcements made by the Minister in the February 2021 Budget Speech and November 2021 Medium Term Budget Policy Statement. These amendments also follow a discussion document published by National Treasury for public comment on 15 December 2021, titled “*Encouraging South African households to save more for retirement*”.

The 2022 Draft TLAB and 2022 draft TALAB contain the remainder of the tax announcements made in Chapter 4 and Annexure C of the 2022 Budget Review, which are legislatively more complicated and require greater consultation with the public. Key proposals included in the 2022 draft TLAB are the following;

- Progressive increase in the carbon tax rate for 2023 to 2030;
- Vaping: Taxation of electronic nicotine and non-nicotine delivery systems;
- Extension of the Research and Development tax incentive sunset date;
- Impact of IFRS17 insurance contracts on the taxation of insurers;
- Reviewing the debtor’s allowance provisions to limit the impact on lay by arrangements.

Key proposals included in the 2022 draft TALAB are the following:

- Advance rulings under the Customs and Excise Act;
- Imposition of understatement penalty for employment tax incentives improperly claimed;
- Addressing tax compliance status system abuse.

For legal reasons, the draft tax amendments are split into two types of bills, namely a money bill (section 77 of the Constitution) dealing with money bill issues and an ordinary bill (section 75 of the Constitution) dealing with issues relating to tax administration.

### ***Process to enact Bills following public comments***

After receipt of written comments, National Treasury and SARS normally engage on selected issues with stakeholders through public workshops to discuss the written comments on the draft tax bills. The Standing Committee on Finance (SCoF) and the Select Committee on Finance (SeCoF) in Parliament are expected to make a similar call for public comment and convene public hearings on the 2022 draft tax bills before their formal introduction in Parliament. Thereafter, a response document on the comments received will be presented at the parliamentary committee hearings, after which the bills will then be revised, taking into account public comments and recommendations made during committee hearings, before they are introduced formally in Parliament for its consideration.

### ***Due date for public comments on the 2022 draft tax bills***

National Treasury and SARS hereby invite comments in writing on the 2022 draft tax bills. Please forward written comments to the National Treasury's tax policy depository at [2022AnnexCProp@treasury.gov.za](mailto:2022AnnexCProp@treasury.gov.za) and SARS at [acollins@sars.gov.za](mailto:acollins@sars.gov.za) by close of business on **29 August 2022**.

The 2022 draft tax bills, the accompanying draft Explanatory Memoranda containing a comprehensive description of the proposed tax amendments contained in the 2022 draft Revenue Laws Amendment Bill, 2022 draft TLAB and 2022 draft TALAB, can be found on the National Treasury ([www.treasury.gov.za](http://www.treasury.gov.za)) and SARS ([www.sars.gov.za](http://www.sars.gov.za)) websites. More general information underlying the changes in rates, thresholds and other tax amendments can be found in the 2022 Budget Review, available on the National Treasury website.

**Issued by National Treasury**

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