

Issue 8 - 6 March 2024

Budget Snapshots

Renewal Energy Tax Incentives

The current incentives are -

- For **businesses** there is an enhanced tax deduction of 125% of the cost of its investment in renewables. This enhanced deduction will remain in effect for two tax years from 1 March 2023.

This incentive temporarily replaces the normal three year write off. There is no threshold on generation capacity. The investment must be brought into use for the first time during this two year period. As an example, an investment of R1 000 000 will result in a tax saving of R337 500 (R1 million x 125% x 27%).

- For **individuals** there was a tax rebate of an amount of 25% of the cost of rooftop solar panels (up to a maximum of R15 000) during a period of only one year from 1 March 2023.

The incentive encourages the investment in rooftop solar panels. Individuals will receive a tax rebate to the value of 25% (up to a maximum of R15 000) of the cost of any new and unused solar photovoltaic (PV) panels purchased and installed at a **private residence**. The certificate of compliance must be issued during the period from 1 March 2023 to 29 February 2024.

Inverters or batteries are **not** covered by this incentive.

This incentive falls away on 29 February 2024.





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