

Tyre levy postponed to 2017

National Treasury has postponed to 2017 the implementation date of the environmental tyre levy that was meant to come into effect in October 2016.



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“National Treasury announced the postponement of the implementation of the environmental tyre levy to 1 February 2017. This is subsequent to the Budget 2016 presentation, where the Minister of Finance announced that an environmental levy on tyres will become effective on 1 October 2016,” said Treasury in a statement on Thursday, 22 September.

Minister Pravin Gordhan has, however, decided to postpone the implementation to allow the South African Revenue Service (SARS) time for further consultation with all affected parties on the practical arrangements for the implementation of the levy.

“The objectives of this initiative are to encourage waste reduction, reuse, treatment and recycling and reduce disposal into landfills. It will also help in government’s broader efforts to promote greater levels of transparency and accountability,” said Treasury.

According to the draft legislation, the tyre levy will be applied at a rate of R2.30 per kg of tyre and implemented through the

Customs and Excise Act. SARS will be responsible for the collection of revenue, as with all other environmentally related taxes.

Revenue from the levy will be deposited into the National Revenue Fund. An on-budget allocation will be made available through the budget of the Department of Environmental Affairs. This will ensure a more robust and transparent revenue collection and funding mechanism.

The principle of extended producer responsibility will be encouraged and all producers and importers of tyres will be required to fully participate in the implementation process.

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