



Saving tax while saving the environment - it's a win-win

"When we realize we can make a buck cleaning up the environment, it will be done!" - Dennis Weaver

In terms of the Income Tax Act 58 of 1962, certain deductions in terms of environmental conservation and maintenance are granted to taxpayers. This in effect means that you can save tax and the environment simultaneously. A taxpayer will be allowed a deduction in respect of any new and unused environmental treatment and recycling asset and new and unused environmental waste disposal asset. Furthermore, expenditure actually incurred by a taxpayer to conserve or maintain land is deemed to be expenditure incurred in the production of income and for purposes of a trade carried on by that taxpayer, if the conservation or maintenance is carried out in terms of an agreement in terms of the National Environmental Management: Biodiversity Act, 2004.

An amount equal to the expenditure actually incurred by a taxpayer to conserve or maintain land owned by the taxpayer is deemed to be a donation by the taxpayer actually paid or transferred during the year to the Government for which a receipt has been issued, if the conservation or maintenance is carried out in terms of a declaration that has a duration of at least 30 years in terms of the National Environmental Management: Protected Areas Act, 2003. This provision in the Income Tax Act is to promote and encourage environmental conservation and maintenance.