Executive summary


This Alert summarizes the key aspects of the Policy relating to tax.

Detailed discussion

According to the Minister, the Government will roll out the following tax measures in order to achieve a target Gross Domestic Product (GDP) of 4.5% by the end of the year:

- Convert the National Health Insurance Levy (NHIL) of 2.5% from a value-added levy to a straight levy of 2.5%
- Convert the GETFund value-added tax (VAT) rate of 2.5% to a straight levy of 2.5%
- Impose a luxury vehicle tax on vehicles with engine capacity of 3.0 liters and above
Review Personal Income Tax to include an additional band of GHC10,000 and above per month at a rate of 35%

Intensify tax compliance measures

According to the Minister, the Government will intensify tax compliance measures to plug inbound leakages on goods arriving in the country, prevent abuse of suspense regime in warehousing, transit trade and free zones and address tax audit issues such as low auditor productivity and low audit yields and also reduce significant outstanding tax debts. For this purpose, the Minister stated that the Government will roll out the following measures:

Prosecution of tax offenders

Introduction of a special VAT Attack Force to enhance enforcement and improve VAT collections from the current low levels of 11%

Implementation of institutional reforms at the Ghana Revenue Authority

The Minister also indicated that the Government will commission audits of local and multinational enterprises in the Mining, Oil and Gas, and Telecommunications sectors to address transfer pricing issues. High net worth individuals will also be subjected to these audits.

Finally, the Minister indicated that tax compliance will also be boosted by the implementation of the Common Platform for Communications Traffic Monitoring for revenue assurance, mobile money monitoring, and fraud management. According to the Minister, the Common Platform will provide the Government with an accurate and comprehensive view of telecom revenues in order to verify tax compliance and to ensure the comprehensive billing and collection of all telecom-related taxes, levies, and regulatory fees.

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