



REPUBLIC OF GHANA

MINISTRY OF FINANCE

Annual Tax Revenue Performance Report: 2022

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The Annual Tax Revenue Performance Report is available at:
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Acronyms and Abbreviations

AU	African Union
CCVR	Customs Classification and Valuation Report
CIF	Cost, Insurance, and Freight
CIT	Corporate Income Tax
CPI	Consumer Price Index
CST	Communication Services Tax
DTRD	Domestic Tax Revenue Division
EDRL	Energy Debt Recovery Levy
EXIM	Ghana Export-Import Bank
FSRL	Financial Sector Recovery Levy
GCAA	Ghana Civil Aviation Authority
GDP	Gross Domestic Product
GETFund	Ghana Education Trust Fund
GRA	Ghana Revenue Authority
GSS	Ghana Statistical Service
IMF	International Monetary Fund
MoF	Ministry of Finance
NFSL	National Fiscal Stabilisation Levy
NHIL	National Health Insurance Levy
PAYE	Pay As You Earn
PIT	Personal Income Tax
SPT	Special Petroleum Tax
TIN	Taxpayer Identification Number
TOR	Tema Oil Refinery
TPU	Tax Policy Unit
TRFC	Tax Revenue Forecasting Committee
VAT	Value Added Tax
VIT	Vehicle Income Tax



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Executive Summary

Domestic revenue mobilisation is a key policy priority for the Government as it seeks to raise the needed funds to support the national development programme and realize the vision of a "Ghana Beyond Aid." Lower tax revenues, uncertain international capital and development aid inflows, alongside high levels of debt have highlighted the significance of strengthening domestic revenue mobilisation.

This report reviews the performance of tax revenue collections between January and December 2022. The total tax collection for 2022 was GH¢75.71 billion, which was 5.7% below the annual target of GH¢80.31 billion but surpassed the revised target of GH¢71.95 billion by 5.3%. The total tax revenue in 2022 represents a 31.8% growth over the total tax revenue of GH¢ 57.43 billion in 2021.

Over the last decade, the two largest contributors to Ghana's total tax revenue have been Corporate Income Tax (CIT) and Value Added Tax (VAT), with CIT contributing 23.3% in 2022 and 25.2% in 2021 while VAT contributed 20.9% in 2022 and 20.5% in 2021.

The report compares the 2022 collections to that of previous years and to the 2022 annual and revised revenue targets. The comparisons highlight possible weaknesses that might warrant the implementation of policy strategies to improve domestic revenue mobilisation.

This report is divided into seven sections. **Section One** provides the macroeconomic context and Ghana's performance. **Section Two** assesses the performance of tax collections in 2022 relative to the previous year's collections and revenue targets. **Section Three** compares the annual tax revenue to inflation over the last five years, the growth rate of nominal and real tax revenues of the three tax categories and the annual actual tax collections to the annual and revised targets. **Section Four** assesses the performance of each tax type and explores the factors that contributed to their performance in 2022. **Section Five** outlines key highlights of the newly introduced tax type, the Electronic Transfer Levy, while **Section Six** details the new tax measures proposed in the 2023 Budget. Finally, **Section Seven** provides a brief conclusion and summary of areas for further investigation.



Section One: Macroeconomic Context

A. Global Macroeconomic Development

1. In 2022, the global economy experienced strong headwinds. This was partly due to the effect of the Russian-Ukrainian war on energy and food prices, tight supply chains (a by-product of COVID-19 and the continuing lockdowns in China) and global demand - boosted by government stimulus spending and lockdown savings – combining with a strengthening dollar to cause sharp increases in inflation across the world.
2. In response, central banks implemented higher interest rates that resulted in tighter global financial conditions. Such rates - coupled with record debt levels due to government responses to COVID-19 - led to rising debt servicing costs worldwide.
3. As such, the global growth rate was estimated to be 3.4% in 2022, down from a rate of 6.0% in 2021.¹ Sub-Saharan Africa's (SSA) estimated growth rate of 3.6% in 2022 was higher than the global rate; but lower than the 4.7% of 2021.²

B. Macroeconomic Development: Ghana

4. Ghana was particularly affected by these developments. The growth rate was 3.8% for Ghana in 2022 after the economy expanded by 6.6% in 2021. Ghana's projected growth rate was equal to the estimated growth rate of SSA and 0.2% above that of the global average.
5. The cedi depreciated by 30% in 2022 as against 4.1% in 2021.³
6. The average inflation rate was 31.5% in 2022 with a year-on-year rate of 54.1% recorded in December 2022.⁴ Comparatively, the average inflation rate was 10.0% in 2021 with a year-on-year rate of 12.6% recorded in December 2021. The Bank of Ghana increased the policy rate to 27.0% in 2022, the second highest rate in Africa, up from 14.5% in 2021.^{5,6}
7. These macroeconomic factors contributed to the overall performance of Ghana's total tax revenue in 2022.

¹ IMF World Economic Outlook Update January 2023

<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

² IMF, Regional Economic Outlook Sub-Saharan Africa October 2022

<https://www.imf.org/en/Publications/REO/SSA/Issues/2022/10/14/regional-economic-outlook-for-sub-saharan-africa-october-2022>

³ Bank of Ghana

<https://www.bog.gov.gh/wp-content/uploads/2023/01/MPC-Press-Release-January-2023-1.pdf>

⁴ Ghana Statistical Service

⁵ Bank of Ghana

<https://www.bog.gov.gh/monetary-policy/policy-rate-trends/>

⁶ Trading Economics

<https://tradingeconomics.com/country-list/interest-rate?continent=africa>



Section Two: Overview of 2022 Tax Revenue Performance

8. Between January and December 2022, the Ghana Revenue Authority (GRA) collected total non-oil tax revenue of GH¢ 75.71 billion. This amount excludes collections of the Energy Debt Recovery Levy (GH¢ 2.27 billion), Energy Sector Recovery Levy (GH¢ 959.86 million), Sanitation and Pollution Levy (GH¢ 452.01 million), as well as royalties of GH¢ 2,455.63 million and Corporate Income Tax (CIT) collections of GH¢ 3,498.78 million from upstream petroleum producers.

Box 1. Annual and Revised Tax Revenue Targets

Tax Revenue targets for each fiscal year are presented in the Annual Budget Statement and Economic Policy of the Government. The Budget draws its authority from Article 179(1) of the 1992 Constitution, which states that “the President shall cause to be prepared and laid before Parliament at least one month before the end of the financial year, estimates of the revenues and expenditure of the Government of Ghana for the following financial year.”

The Public Financial Management Act, 2016 (Act 921) further provided that the estimates of the revenues and expenditure of the Government, the annual budget, for the ensuing financial year, shall be laid before Parliament not later than the 15th of November of each financial year.

The Act also introduced the Mid-year fiscal policy review to *inter alia* provide an analysis of the total revenue, expenditure, and financing performance for a period up to the first six months of the financial year. This process may result in the revision of the fiscal projections for the year under review.

In pursuance of the above, the 2022 Budget Statement and Economic Policy read in November 2021 set the total tax revenue target as GH¢ 80.31 billion. This target was revised to GH¢ 71.95 billion in the 2022 Mid-Year Fiscal Policy Review, which was read in July 2022. The revision downwards of the revenue target was in part as a result of unforeseen economic shocks and delays in implementation of some revenue measures, which inevitably drove a wedge between the annual budget forecast and the subsequent first half-year revenue outturn.

Notwithstanding these uncertainties, it is important to examine annual budget forecasts compared to the actual revenue collection outturn to highlight and explain possible discrepancies and to use them as a basis to better inform subsequent year’s revenue projections by the Tax Revenue Forecasting Committee (TRFC).

Except where stated otherwise, this report will focus on analysing the Ministry’s annual revenue forecast (i.e., 2022 annual budget forecast) against actual collections in assessing government’s progress against its annual fiscal targets.

Table 1 details the annual and revised (mid-year) tax revenue targets for 2022.



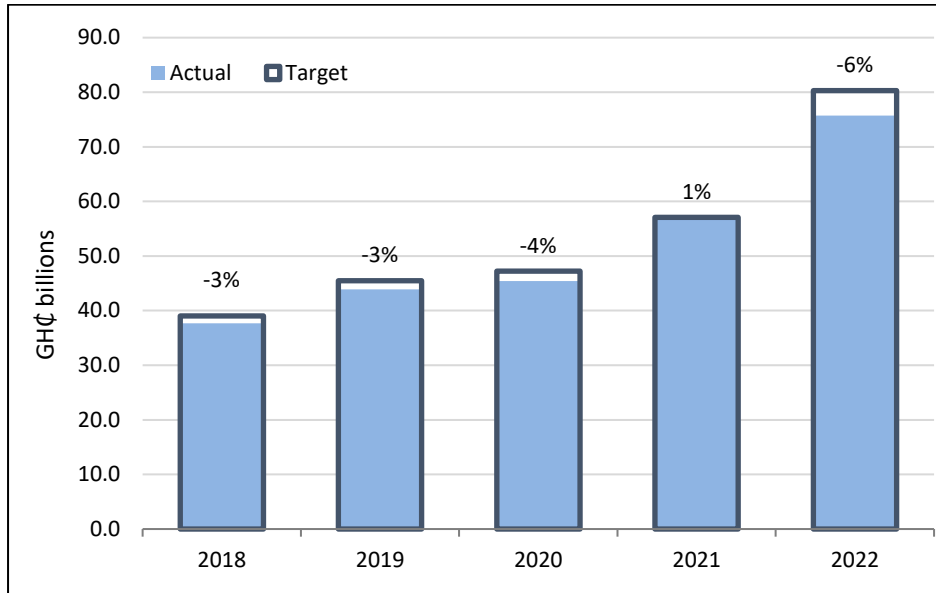
Table 1: Annual and revised tax revenue targets, 2022

	Annual Target (GH¢ m)	Revised Target (GH¢ m)
Domestic direct	35,259.71	33,347.15
PIT - PAYE	12,281.51	11,814.22
PIT - Self-Employed	1,362.05	934.76
Companies	18,035.58	16,477.20
Other direct	499.66	248.86
Mineral royalties	1,677.85	2,574.05
Airport tax	396.03	396.03
NFSL	754.23	613.10
Financial Sector Recovery Levy	252.79	288.94
Domestic indirect	24,426.86	18,399.28
Domestic VAT	8,480.93	8,950.15
Excise	670.88	670.88
Domestic NHIL	1,952.14	1,896.31
Domestic GET Fund Levy	1,952.14	1,947.96
CST	651.74	580.95
Covid-19 Health Recovery Levy (Flat Rate)	284.16	279.03
Covid-19 Health Recovery Levy (Standard Rate)	469.27	460.80
Electronic Transaction Levy	6,963.39	611.00
Special Petroleum Tax	3,002.21	3,002.21
Customs	20,619.09	20,202.32
Import duties and levies	9,029.97	8,573.28
Import VAT	6,053.93	6,452.78
Import NHIL	1,317.82	1,144.45
Import GET Fund Levy	1,324.90	1,146.36
Import Covid-19 Health Recovery Levy	388.13	381.12
Petroleum taxes	2,504.34	2,504.34
Total non-oil tax revenue	80,305.66	71,948.76
Energy Debt Recovery Levy	2,739.05	2,739.05
Energy Sector Recovery Levy	565.68	565.68
Sanitation and Pollution Levy	264.40	264.40
Grand total non-oil tax revenue	83,874.79	75,517.89
Upstream Petroleum Royalties	1,339.15	2,484.22
Upstream Petroleum CIT	1,693.61	3,144.85
Total Tax Revenue	86,907.55	81,146.96



9. Figures 1 and 2 compare total tax revenue collections to the annual targets and the revised targets, respectively, over the previous five years. The deviations between actual and targets are expressed as a share of the target.

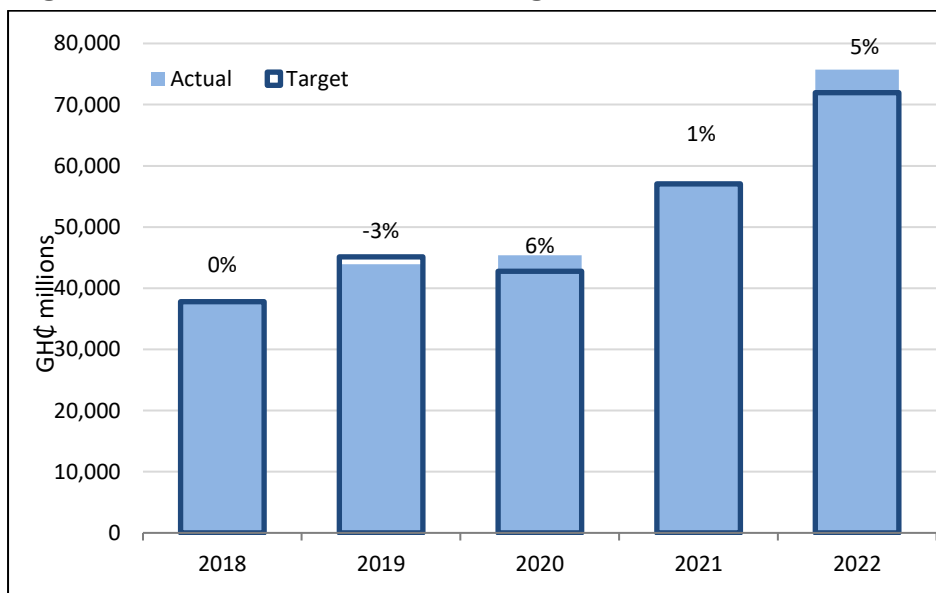
Figure 1: Actual and annual target tax revenue collections, 2018-2022



Data source: Ministry of Finance, Ghana Revenue Authority

Note: Target figures are as stated in the respective Annual Budget Statements.

Figure 2: Actual and revised target tax revenue collections, 2018-2022



Data source: Ministry of Finance, Ghana Revenue Authority

Note: Revised Target figures are as stated in the respective Mid-Year Budget Review Statements



10. Figure 3 and Figure 4 represents 2022 total actual collections and the annual target and revised target, respectively, by categories. Considering the aggregate performance of tax collections relative to the annual and revised targets, customs taxes performed relatively well while domestic indirect taxes performed relatively poor, partly due to the poor performance of the Electronic Transaction Levy.

Figure 3: Actual and annual target collections of tax categories, 2022

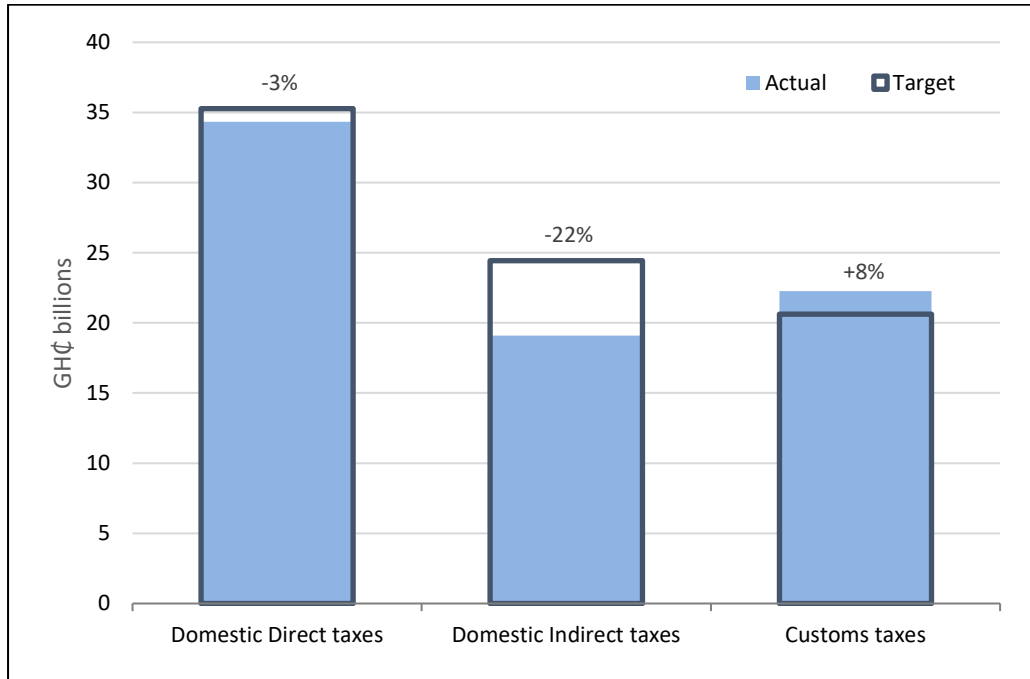
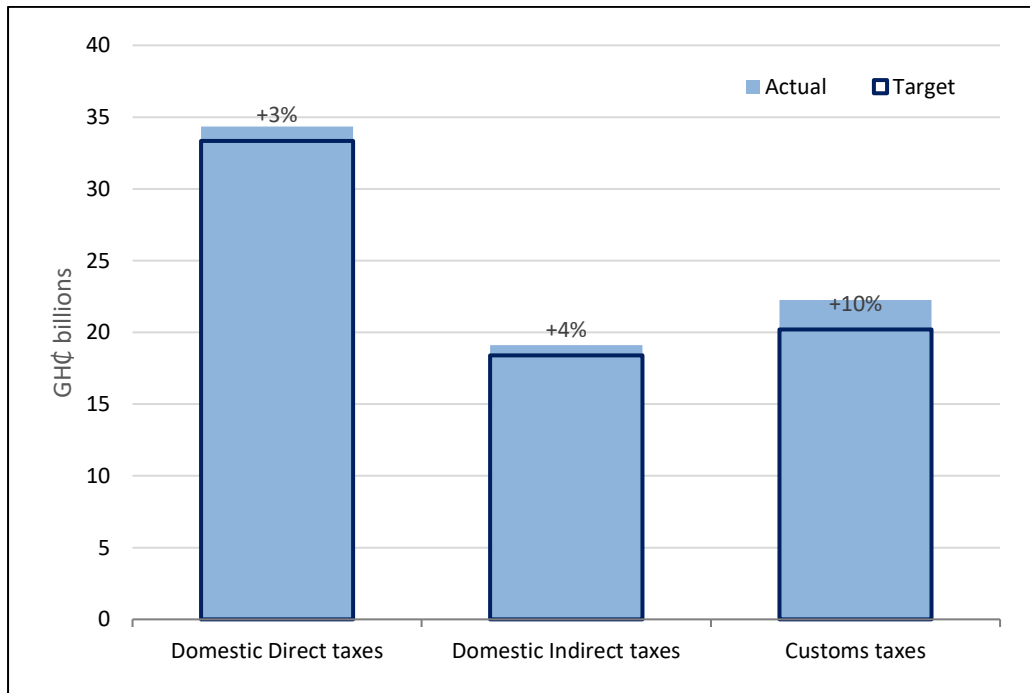


Figure 4: Actual and revised target collections of tax categories, 2022



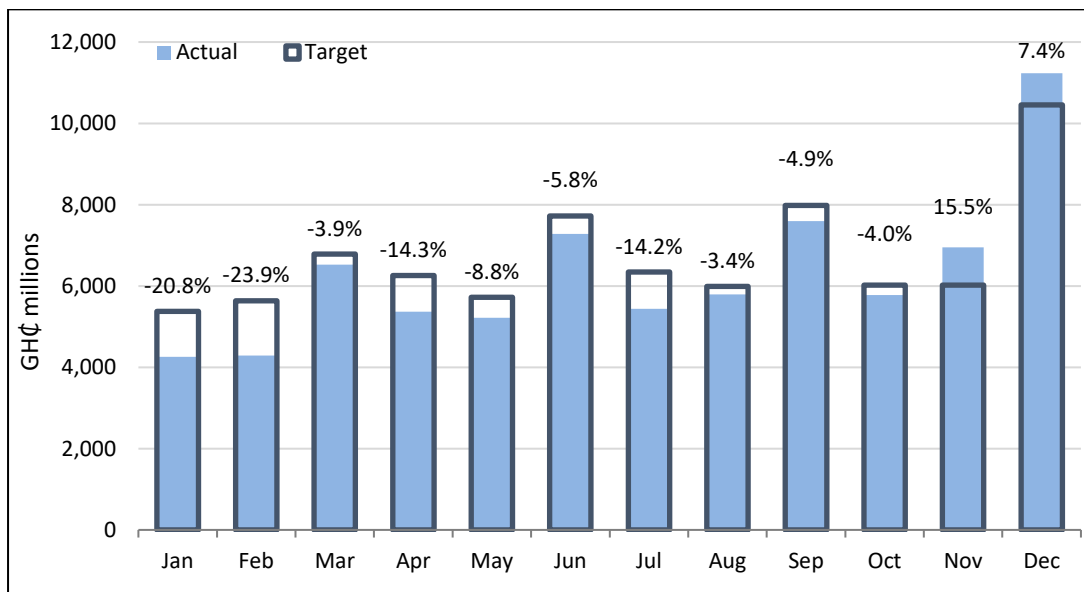
Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of annual target.



11. Appendix 1 provides a breakdown of the performance of the tax types as against the annual target.
12. Another important aspect of revenue collection is the monthly performance of tax types. Large deviations – positive or negative – between actual and target monthly collections can make it difficult for government to budget and plan effectively.
13. Figure 5 plots the actual and annual target collections for each month in 2022, and the deviation from target as a share of target collections in the year.
14. By comparison, collections in 2022 performed relatively poor in the first two months, January and February, but performed well in November and December, counteracting negative monthly performance in the preceding months.

Figure 5: Actual and annual target tax collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

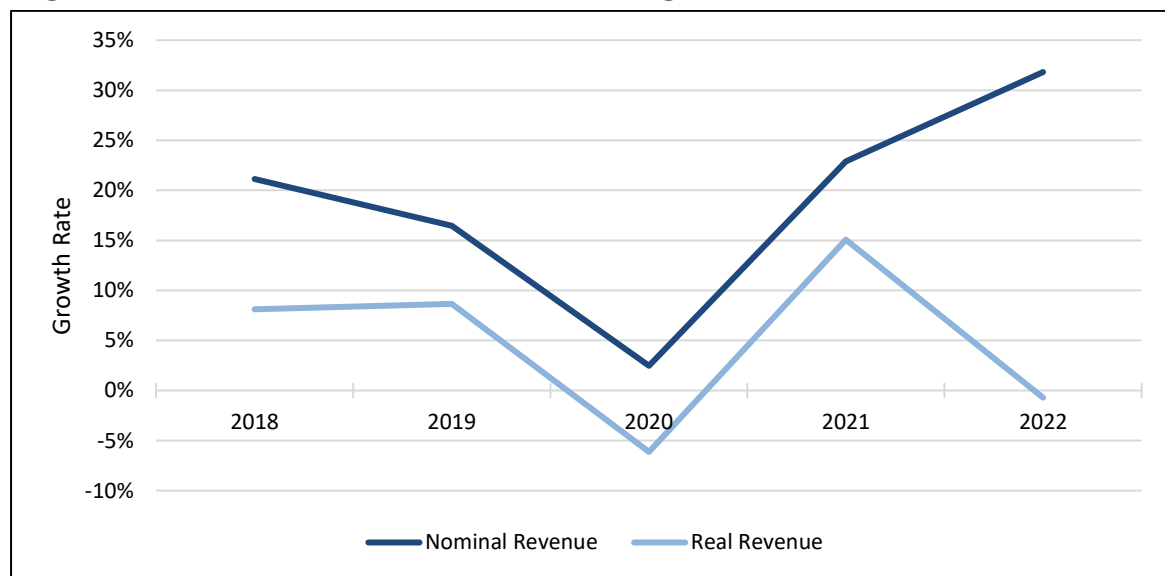


Section Three: Trends in Annual Tax Revenue Performance

15. Given the high inflation rate experienced in 2022, this section seeks to highlight the importance of real revenue (nominal revenue after accounting for inflation) when analyzing revenue performance.

16. Figure 6 below compares the annual tax revenue to inflation over the last five years: 2018-2022. Prior to 2022 and excluding 2020 (which saw a dip in nominal revenue growth due to COVID-19 and other factors), nominal revenue growth averaged 20.2% whilst real revenue growth averaged 10.6%. In 2022, real revenue declined by 0.7% as nominal revenue grew 31.8%.

Figure 6: Nominal and real tax revenue growth rate, 2018-2022



Data source: Ghana Revenue Authority, Ghana Statistical Service

Note: Inflation is calculated using the average of the monthly weighted year-on-year inflation rates, weighted by the size of the revenue collection in each month.

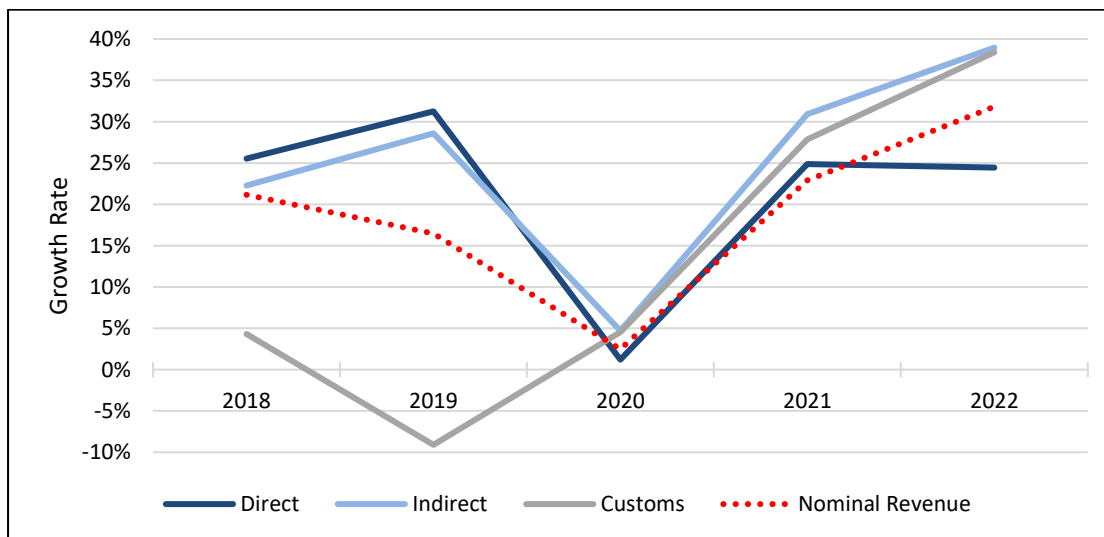
17. Figure 7 shows the growth rate of the nominal revenue of the three tax categories: direct, indirect and customs, for the 2018-2022 period. Direct and indirect nominal revenue growth rates moved together over the five years with growth of over 20% in all years, except in 2020.

18. However, in 2022, the growth rate of direct tax revenue was 0.4% above that of 2021, at 24.4%, whilst indirect tax and customs revenue grew to 34.3% and 38.4% respectively. Customs revenue grew at a similar rate to indirect tax revenue from 2020-2022; however, in 2018 and 2019, customs revenue growth was significantly below that of direct and indirect taxes.



19. In 2018 and 2019, the growth rate was 4.3% and negative 9.1% for customs revenue, whilst direct tax revenue growth rate was 25.5% and 31.2% and indirect tax revenue was 22.3% and 28.6% respectively.
20. In April 2019, the introduction of the discount policy (on benchmark values) reduced the assessed value of import by 50% for general goods and 30% for vehicles. This partially contributed to the drop in customs revenue for 2019. In 2022, however, the values were revised to 30% for general goods and 10% for vehicles.
21. Customs revenue, however, increased in 2020 due to the enhancement in the Customs business processes by the introduction of the Integrated Customs Management Systems (ICUMS).

Figure 7: Tax categories and nominal revenue, 2018-2022

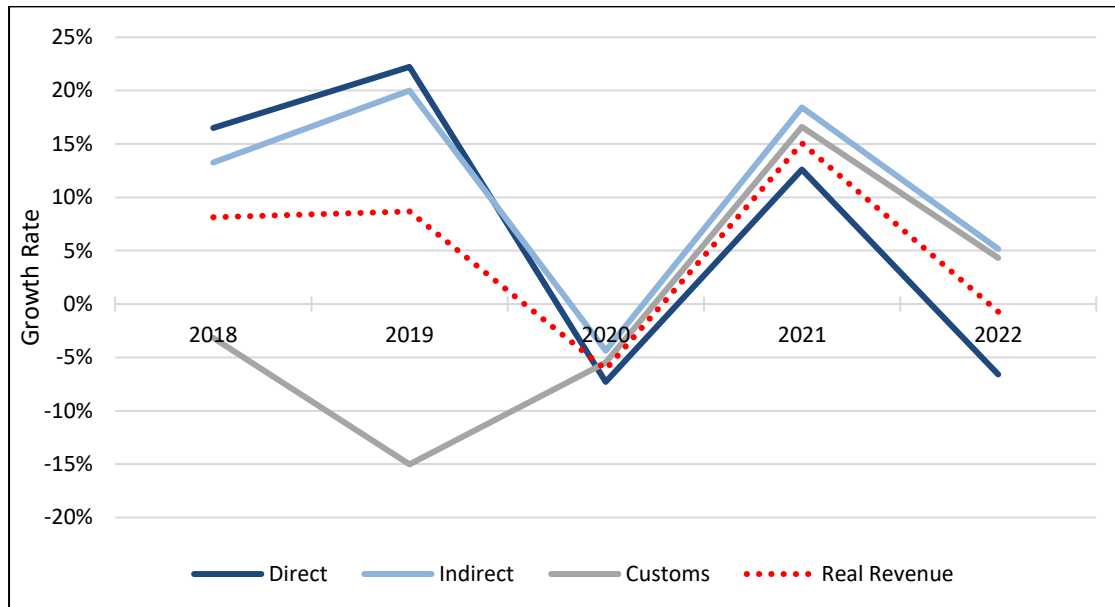


Data source: Ghana Revenue Authority, Ghana Statistical Service

22. Figure 8 shows the real revenue growth rates for the three tax categories. Annual inflation rate was relatively stable between 2018-2021 (between 7.0 - 10.0%) so the three tax categories display similar trends in Figure 7 and Figure 8.
23. However, in 2022, given the annual inflation rate of 31.5%, the real revenue growth rates for the tax categories were lower than those in 2021, unlike the nominal revenue growth rates.



Figure 8: Tax categories and real revenue, 2018-2022

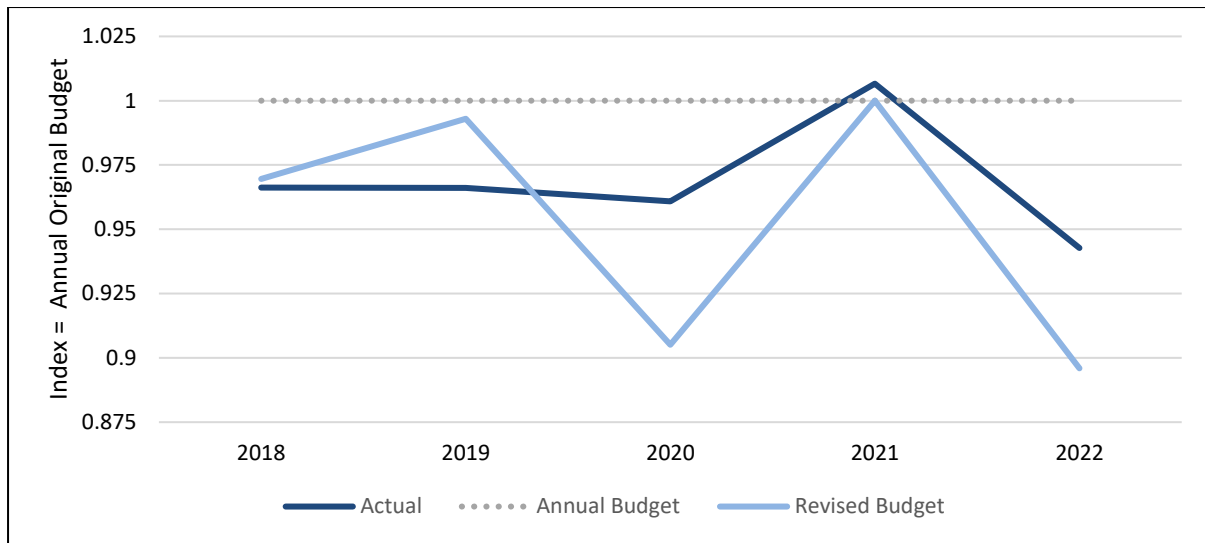


Data source: Ghana Revenue Authority, Ghana Statistical Service

24. Customs and indirect tax revenue growth rates were 4.3% and 5.2% respectively, whilst direct tax revenue growth rate was negative 6.6%. As a result, total real revenue growth rate for 2022 was negative 0.7%.
25. Figure 9 compares the actual tax collections for each year against the two targets: the annual target (published in the Annual Budget Statement) and the revised target (published in the Mid-Year Review).
26. The annual budget is used as the index in each year. The revised budget targets are lower than the annual targets over the last five years (except in 2021 which remained unchanged), with 2020 and 2022 representing the biggest deviations at 10.5% and 11.6% respectively.
27. Actual tax revenue collections were below the annual targets in the past five years except in the year, 2021. Actual tax revenue collections were below the revised budget targets in 2018 and 2019 and above the revised budget targets in 2020, 2021 and 2022.



Figure 9: Actual tax revenue, annual and revised targets, 2018-2022



Data source: Ministry of Finance, Ghana Revenue Authority



Section Four: Analysis of Performance by Tax Type

This section analyses each tax type, explaining the drivers of their performance.

i. Personal Income Tax

28. Personal income (i.e., income received by individuals) is taxed according to a progressive schedule of rates in line with the First Schedule of the Income Tax Act, 2015 (Act 896). The schedule is adjusted over time to address wage inflation (bracket creep), as well as equity and fiscal sustainability concerns.

29. Table 2 summarises the PIT schedule for the 2022 year of assessment.

Table 2: PIT Schedule – 2022

Bracket No.	Annual Taxable Income (GH¢)	Applicable Tax Rate
1	0 – 4,380	Nil
2	4,381 – 5,700	5%
3	5,701 – 7,260	10%
4	7,261 – 43,260	17.5%
5	43,260 – 240,000	25%
6	Above 240,000	30%

Source: First Schedule, Income Tax Act, 2015 (Act 896), as amended by the Income Tax (Amendment) (NO 2) Act 2021 (Act 1071)

A. Employment Income – Pay-As-You-Earn

30. PAYE is a mechanism for collecting personal income tax on employment income, whereby employers withhold the tax from employees' salaries, and remit it to the GRA on their behalf. In 2022, about 95% of income tax paid by individuals was collected through the PAYE system. Taxes on other sources of income – from self-employment or investments – are either payable directly by the individual, or collected through a withholding process (e.g., rent withholding).

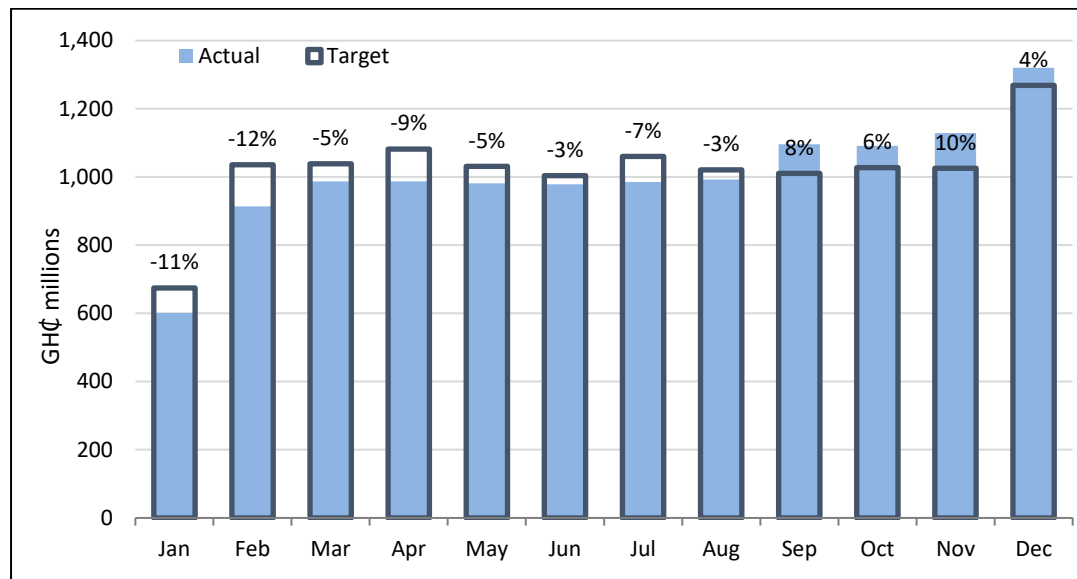
31. PAYE collections amounted to GH¢ 12.07 billion in 2022, up from GH¢ 9.72 billion in 2021. This represents nominal growth of 24.1%, however in real terms, this represents a negative growth of 6.0%. Actual collections were 1.8% below the 2022 annual target of GH¢ 12.28 billion and 2.1% above the 2022 revised Budget target of GH¢ 11.81 billion.

32. In 2022, January's PAYE collections were below target by GH¢ 73.29 million (10.9% below the target) – see Figure 10 below. Actual collections continued to be lower than the monthly target until September. GRA highlighted that this trend was due to expected increases in salaries failing to materialise. The last four months of



the year saw targets being surpassed, partly driven by the increase in Cost-of-Living Allowance paid to public sector employees.

Figure 10: Actual and annual target PAYE collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

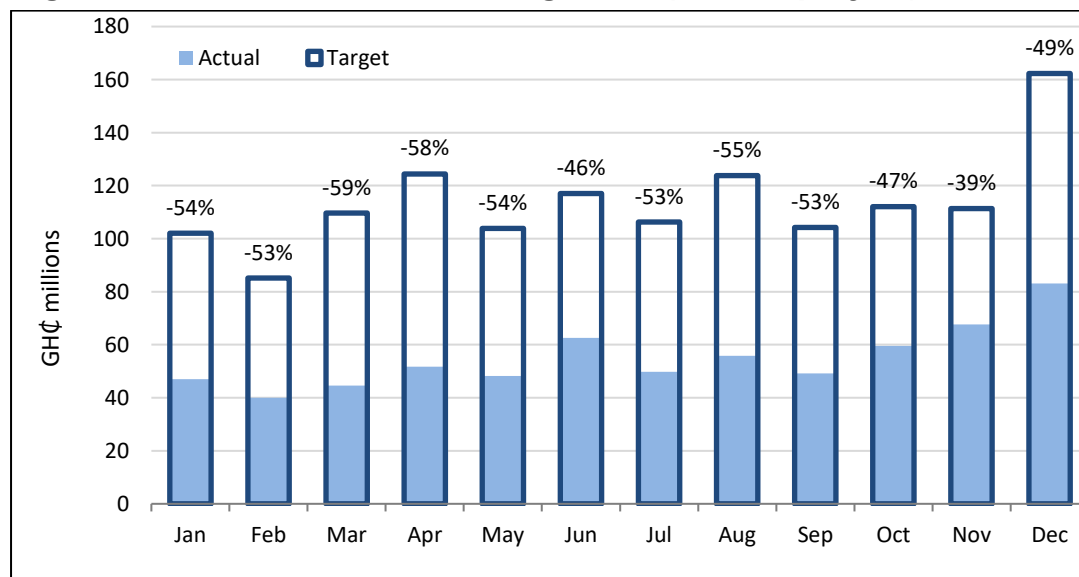
B. Self-Employed Income Tax

33. All individuals with income from self-employment are required to pay income tax in four instalments per year. At the beginning of the year, individuals must file a return estimating their income and tax liability for that year, and the tax amount is divided into four equal instalments due on or before the last day of each quarter.
34. Within four months after the end of the year, individuals who earn income are required to declare their actual income. If the amount declared differs from their initial assessment, they are either refunded or required to pay the difference.
35. Owners of commercial vehicles, which fall under a category as outlined in Appendix 2, are required to pay their taxes through the Vehicle Income Tax (VIT) stamp system. The tax is paid in quarterly instalments at rates which vary by class of vehicle – these rates are summarised in Appendix 2.
36. At the end of the year, the tax paid under VIT is credited against a person’s annual income tax liability, and the difference, if any, paid as tax due to the Commissioner-General.
37. Self-employed individuals who own businesses in a qualifying category that generate an annual turnover of up to GH¢ 20,000, and who are not VAT registered may qualify for the Tax Stamp system.
38. The Tax Stamp system is analogous to the VIT system. It is paid in quarterly instalments at rates which vary by the size and category of the taxpayer – these rates are summarised in Appendix 3.



39. Upon payment of the tax, the individual is issued a tax stamp, which they must display in a conspicuous place at their business premises. At the end of the year, the tax paid under Tax Stamp is credited against a person's annual income tax liability, and the individual must remit any remaining tax.
40. In addition to self-employment income, Tax Stamp and VIT payments, Personal Income Tax (self-employed) figures include various withholding taxes and a 1% advance income tax payment payable by some importers. The latter is charged on the Cost, Insurance, and Freight (CIF) value of imports, and must be paid by individuals before their goods are cleared by Customs. The amount paid can then be applied as a credit to reduce an individual's income tax liability at the end of the year.
41. This 1% advance payment was introduced as a temporary measure to rope in individuals, who import goods but are not registered for income tax purposes, to register with the GRA. However, over the years, efforts to register these individuals have been slow.
42. PIT (self-employed) actual collections in 2022 were consistently weak relative to the target as shown in Figure 11. Collections in 2022 were 51.6% below the 2022 annual target of GH¢ 1.36 billion and 29.5% below the 2022 revised target of GH¢ 934.76 million. GRA attributed this performance partly to the extended waiver on VIT and Tax Stamp.
43. Despite this, PIT (self-employed) collections amounted to GH¢ 659.17 million in 2022, up from GH¢ 491.45 million in 2021. This represents a nominal growth of 34.1% and an increase in real terms of 1.2%.

Figure 11: Actual and annual target PIT (self-employed) collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target

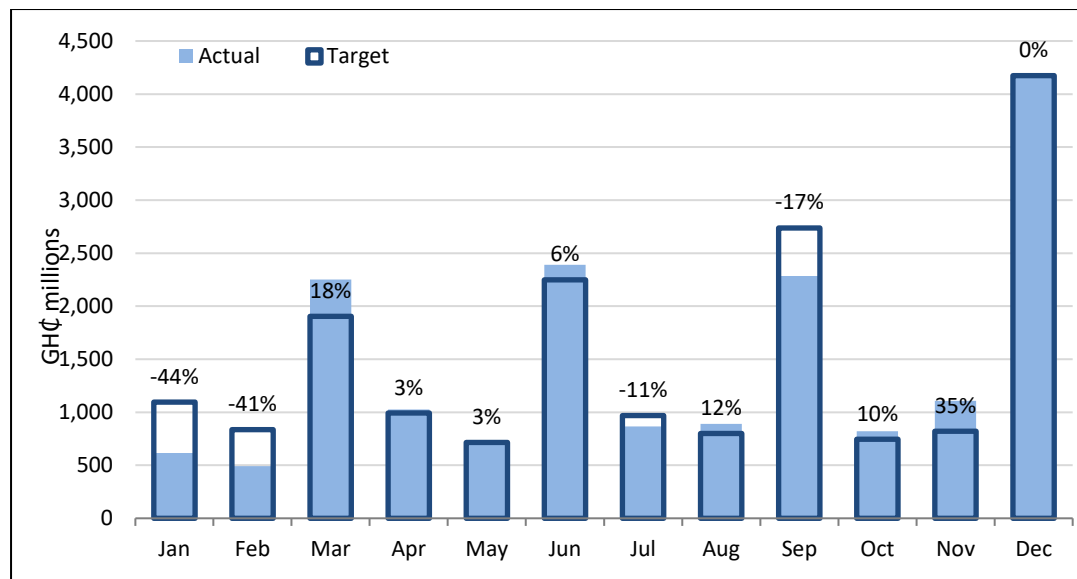


ii. Corporate Tax

44. The statutory rate of income tax for most incorporated companies in Ghana is 25%, while a rate of 35% applies to income from mining and petroleum operations. As in other countries, Ghana also offers a variety of corporate tax incentives aimed at stimulating investment and employment in certain sectors and locations within the country.
45. Corporate tax revenue comprises collections from direct payments, as well as various corporate withholding taxes. Corporate tax collections amounted to GH¢ 17.65 billion in 2022, up from GH¢ 14.48 billion in 2021. This represents a nominal increase of 21.9% but a real negative growth of 9.2%. Collections in 2022 were 2.1% below the 2022 annual target of GH¢ 18.04 billion and 7.1% above the 2022 revised target of GH¢ 16.48 billion.
46. It is important to note that CIT is the largest contributor to Ghana's tax revenue. Figure 12 plots the actual and target monthly corporate tax revenue in 2022, and the deviations between the two figures. Most CIT instalments are remitted at the end of the quarter, which accounts for the peaks shown in Figure 12. The other months are spill over months from late payments which are difficult to forecast (hence the performance of January and February in Figure 12). From a budgeting perspective, it is important that the government can accurately predict the timing of revenue it expects to receive.
47. At the end of the year, there is a reconciliation process in which companies submit a final return calculating their taxable profit for the year, account for quarterly instalments already paid, and adjust their final payment accordingly.
48. The mining and financial sector combined contributed 70-80% of CIT in the country. The strong performance in March was attributed to better-than-anticipated profits in the mining and financial sectors. This is supported by relatively higher gold prices in 2022 (see Figure 13).
49. The underperformance in September was attributed to mining sector payments either being made early or being revised. GRA highlighted the strong end of year performance as being a result of audit assessment payments and an increase in the payment of withholding taxes.



Figure 12: Actual and annual target corporate tax collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

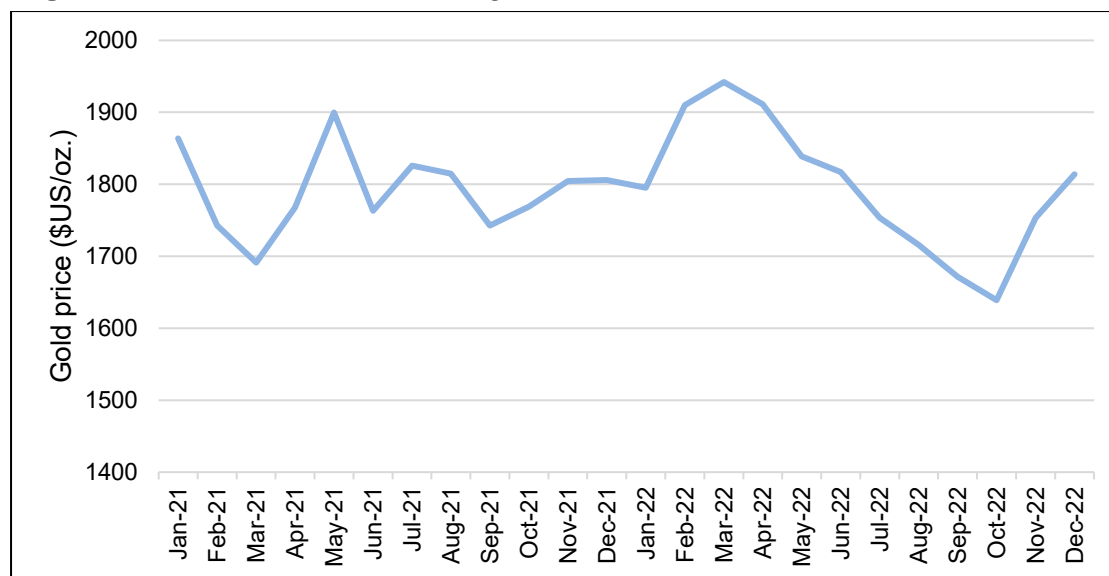
iii. Mineral Royalties

50. Mineral royalties are levied on the value of minerals extracted. The general mineral royalty rate in Ghana is 5%, however some established gold mining companies have development or investment agreements which use a 'sliding scale' royalty regime. The sliding scale provides some protection for mining companies by reducing the rate at which royalties are payable when commodity prices fall.

51. The main contributors to mineral royalties are from the gold sector. Mineral royalty revenue in Ghana is strongly linked to the price of gold and the performance of the exchange rate. In 2022, the average world market price for gold was \$1,802 per ounce, a slight improvement compared to 2021's price, when gold traded at \$1,799 per ounce on average (see Figure 13).



Figure 13: Gold price, January 2021 – December 2022



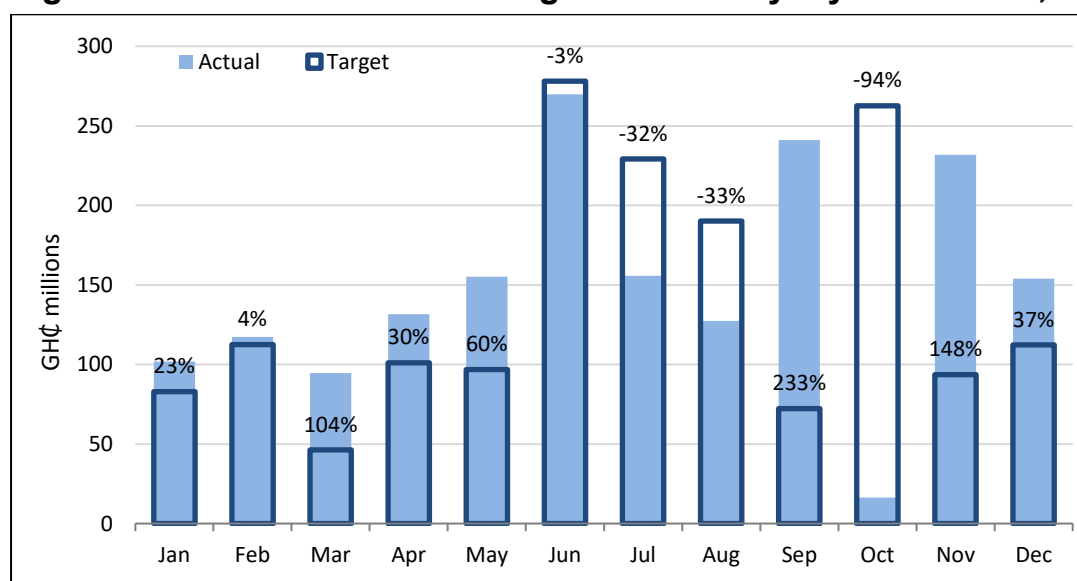
Data source: World Gold Council

Note: Gold price is the average world market gold price per ounce, in US dollars.

52. Mineral royalty collections amounted to GH¢ 1.80 billion in 2022, up from GH¢ 1.37 billion in 2021. This represents an increase in nominal growth of 31.2% but negative real growth of 1.1%. Collections in 2022 were 7.1% above the 2022 annual target of GH¢ 1.68 billion and 30.2% below the 2022 revised target of GH¢ 2.57 billion.

53. Figure 14 plots actual and target mineral royalty collections for each month in 2022. Collections of mineral royalties were very volatile, with large deviations (more than 50%) from the revenue targets in five months in the year. As was the case with the mining sector and CIT, the strong gold price in the first half of the year (shown in Figure 13) drove the strong performance up to May.

Figure 14: Actual and annual target mineral royalty collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

iv. Airport Tax, NFSL, FSRL and Other Direct Taxes

Airport Tax

54. Passengers flying from an airport in Ghana are required to pay Airport Tax.⁷ Airport Tax is imposed on both domestic and international travellers, and the rate varies depending on the place of destination and the passenger class (see Table 3). Aircraft owners are responsible for ensuring that the tax is paid to the Ghana Airport Company Limited (GACL).

55. Airport tax collections amounted to GH¢ 789.58 million in 2022, up from GH¢ 359.88 million in 2021. This represents a nominal and real growth of 119.4% and 64.3% respectively. Collections in 2022 were 99.4% above the 2022 annual target of GH¢ 396.03 million.

56. This performance was partly attributed to the increase in post-pandemic air travel and the gains from the appreciation of the US dollar against the local currency.

Table 3: Airport tax rates, 2022

		Airport Tax
Domestic travel (within Ghana)		GH¢ 5
Regional travel (within West Africa)		\$60
International travel (outside West Africa)	Economy class	\$100
	Business class	\$150
	First class	\$200

Source: Airport Tax (Amendment) Act, 2010 (Act 813)

National Fiscal Stabilisation Levy (NFSL)

57. The NFSL is a 5% charge on the pre-tax profit (accounting profit) of specified companies and institutions. It is payable on a quarterly basis and is not an allowable deduction for income tax purposes. Entities operating in the sectors listed in Table 4 are liable for NFSL.

⁷ Children under two years and passengers in transit who are staying in Ghana for less than 24 hours or who have been unavoidably delayed in Ghana are not required to pay the tax.



Table 4: Sectors liable for National Fiscal Stabilisation Levy

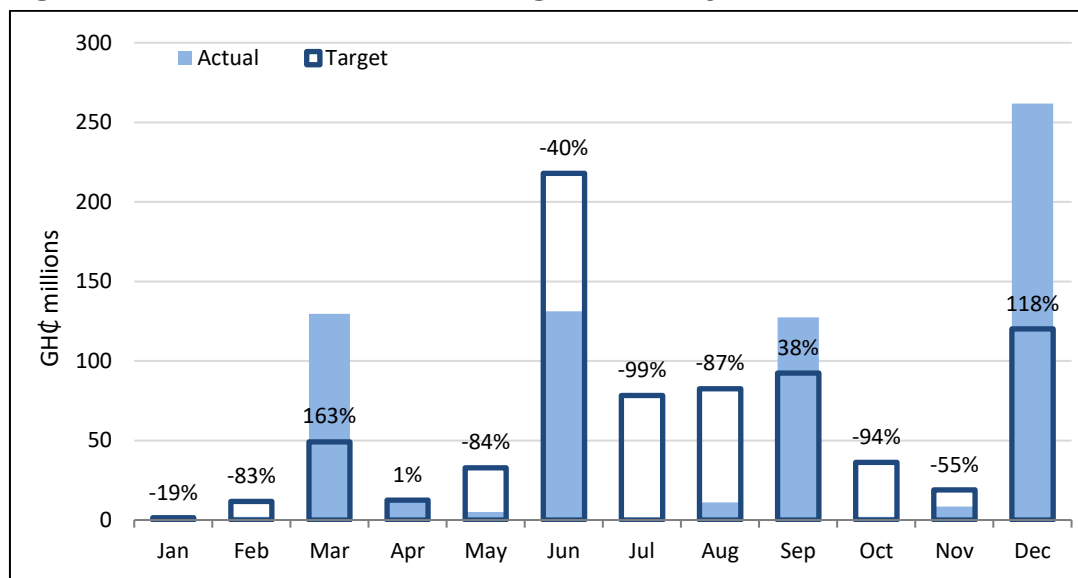
National Fiscal Stabilisation Levy – applicable sectors	
1. Banks (not including rural and community banks)	5. Inspection and valuation companies
2. Non-bank financial institutions	6. Companies providing mining support services
3. Insurance	7. Shipping lines, maritime and airport terminals
4. Telecommunications	8. Breweries

Source: National Fiscal Stabilisation Levy Act, 2013 (Act 862)

58. NFSL collections amounted to GH¢ 693.48 million in 2022, up from GH¢ 683.49 million in 2021. This represents a nominal growth of 1.5% or negative 25.3% after accounting for inflation. Collections in 2022 fell by 8.1% below the 2022 annual target of GH¢ 754.24 million and 13.1% above the 2022 revised target of GH¢ 613.10 million.

59. Figure 15 plots actual and target monthly NFSL collections in 2022, and the percentage difference between the two figures. Similar to CIT, NFSL is payable at the end of each quarter, with collections in ‘off-peak’ months comprising early/late payments and audit assessment payments.

Figure 15: Actual and annual target monthly NFSL collections, 2022



Data source: Ghana Revenue Authority

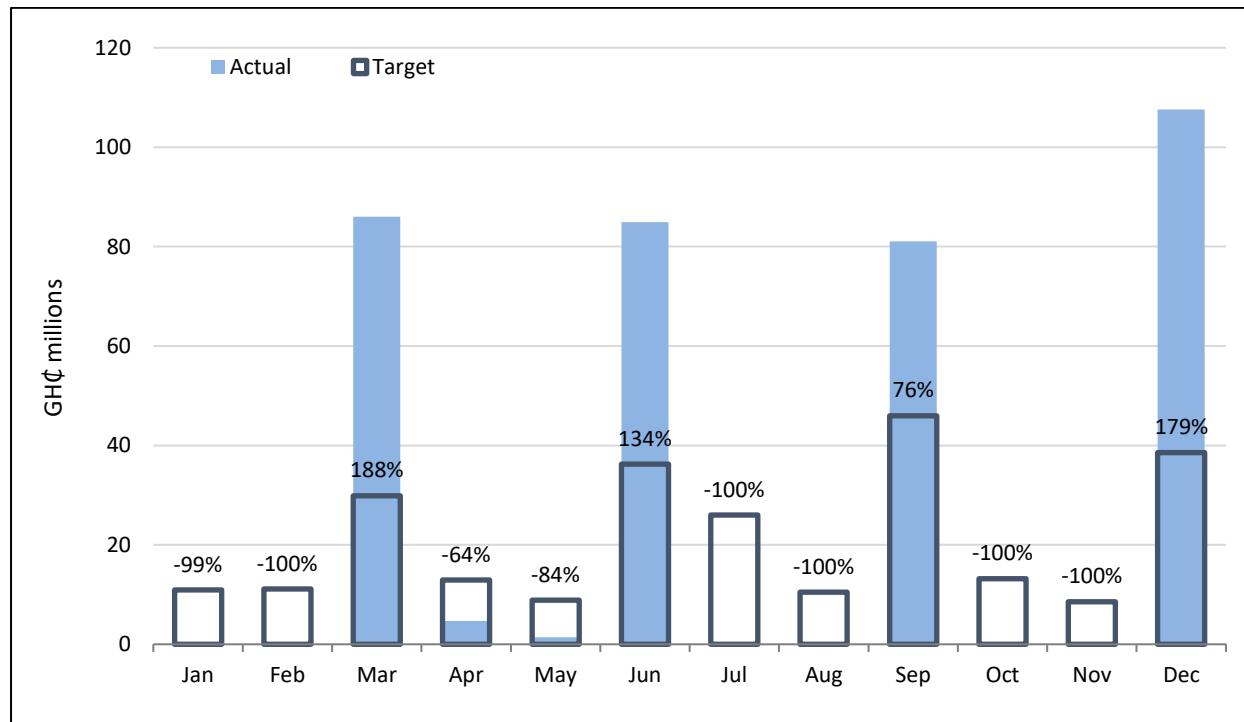
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.



Financial Sector Recovery Levy (FSRL)

60. Figure 16 shows the Financial Sector Recovery Levy collections, which totalled GH¢ 365.85 million in 2022, representing 44.7% above the annual target of GH¢ 252.79 million and 26.6% above the revised target of GH¢ 288.94 million. The FSRL relates to the performance from the financial sector and is payable on a quarterly basis. The Levy exceeded its targets in March, June, September, and December.

Figure 16: Actual and annual target collections of Financial Sector Recovery Levy, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Other Direct Taxes

61. In 2022, other direct taxes – notable amongst them are the taxes on Endorsement Fees, Management and Technical Service Fees, Dividends, Rent and Stamp Duty – raised GH¢ 317.30 million in revenue, up from GH¢ 227.16 million in 2021. This represents a nominal increase of 39.7%, or an increase of 6.9% after accounting for inflation. Collections in 2022 were 36.5% below the 2022 annual target of GH¢ 499.66 million and 27.5% above the 2022 revised target of GH¢ 248.86 million.

v. Value Added Tax (VAT)

62. In total, VAT accounted for 20.9% of total tax revenue in 2022 (20.5% in 2021) – the second largest contributor, after corporate tax. VAT payable on domestic supplies is collected and administered by the Domestic Tax Revenue Division



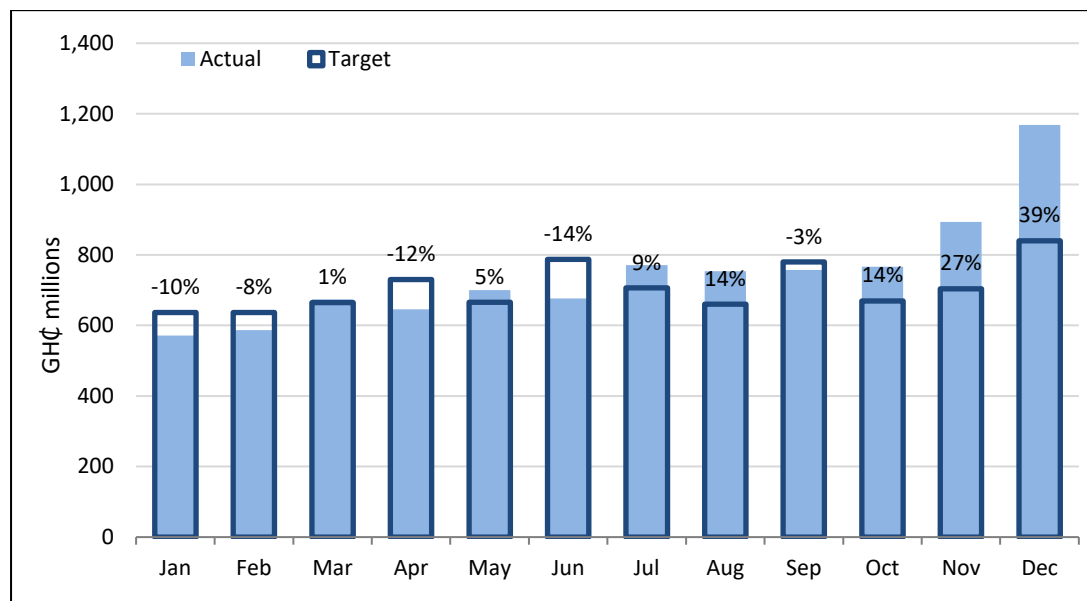
(DTRD), while VAT on imports falls within the purview of the Customs Division of the GRA.

63. Collection figures tend to be reported separately, and the drivers of performance often differ, so the two revenue sources are discussed separately below.

Domestic VAT

64. Total VAT revenue from domestic goods and services amounted to GH¢ 8.96 billion, up from GH¢ 6.91 billion in 2021. This represents a nominal and negative real growth of 29.8% and 2.2% respectively. Collections in 2022 were 5.7% above the 2022 annual target of GH¢ 8.48 billion and 0.2% above the 2022 revised target of GH¢ 8.95 billion. Figure 17 below plots actual and annual target monthly collections in 2022, and the percentage difference between the two figures.

Figure 17: Actual and annual target domestic VAT collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Import VAT

65. Import VAT revenue totalled GH¢ 6.82 billion in 2022, up from GH¢ 4.86 billion in 2021. This represents a nominal and real growth of 40.5% and 5.6% respectively. Collections in 2022 were 12.7% above the 2022 annual target of GH¢ 6.05 billion and 5.8% above the 2022 revised target of GH¢ 6.45 billion.

66. Figure 18 shows that monthly collections fell below the target in January and March as target CIF values (see Figure 26) were not met. GRA attributes this shortfall to the delay in the implementation of the partial reversal of the discount policy. Also, within the last half of 2022, the CIF values exceeded its target, contributing to the strong performance of import VAT. This was partly due to the depreciation of the cedi and the partial reversal of the discount policy (See Box 2).



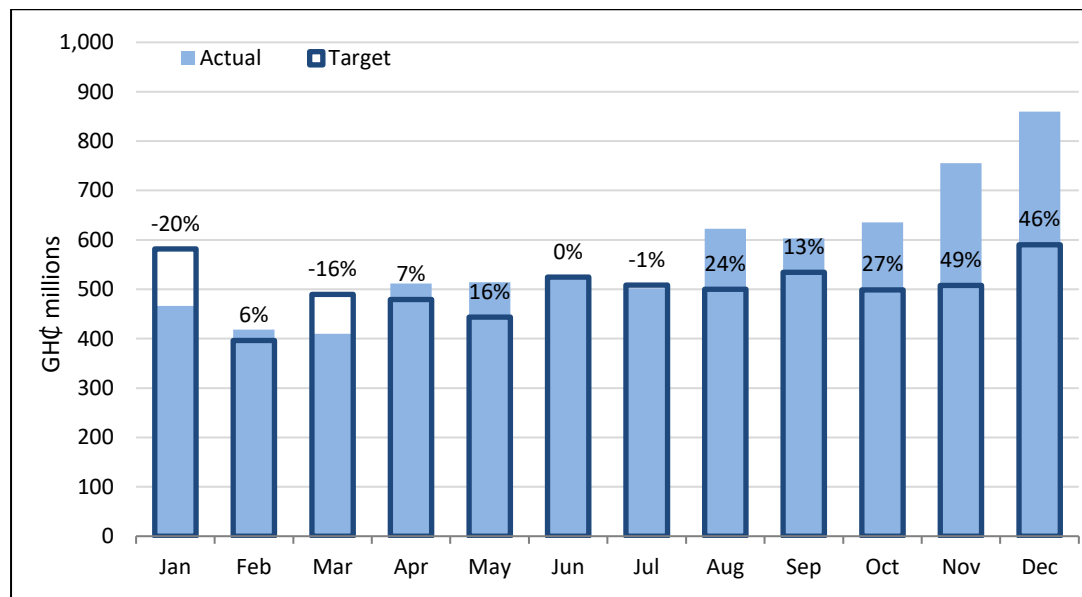
Box 2. Partial Reversal of Discount Policy (on benchmark values)

As part of the fiscal measures underpinning the 2022 Budget, Government announced its intention to review the temporal discount policy, which was introduced in April 2019, which provided a 50% discount on the Free on Board (FOB) value of general goods and 30% on the home delivery value for vehicles.

The GRA and the Ministry of Finance received various correspondence regarding how the complete reversal of the discount policy would affect the Ghanaian economy if rolled out. After several consultation between relevant stakeholders and Government, it was agreed that the reversal will be phased-out, with a complete removal effective 1st January 2023.

For implementation in 2022, the partial reversal of the policy was to reduce the discount on general goods from 50% to 30% and the discount on vehicles from 30% to 10%. On 29th December 2022, the GRA announced the complete reversal of the discount on the value of general goods and vehicles.

Figure 18: Actual and annual target import VAT collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

vi. National Health Insurance Levy (NHIL) and Ghana Education Trust Fund Levy (GETFund Levy)

67. Similar to VAT, both levies are administered and collected by both the Domestic Tax Revenue Division and the Customs Division of the GRA. Both levies have the same rates and are applied on the same base.



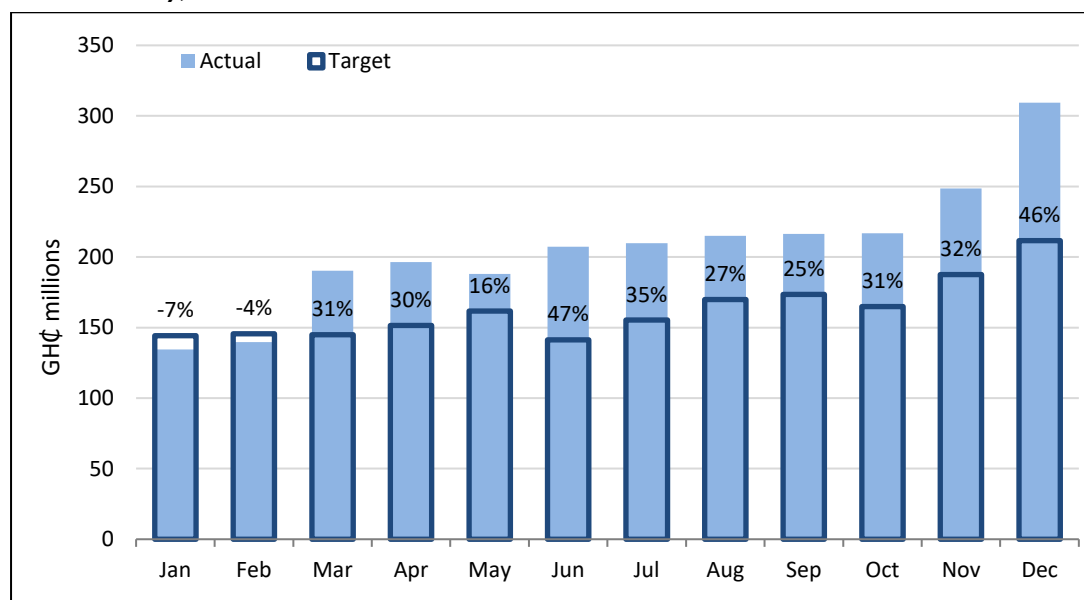
Domestic NHIL and GETFund Levy

68. Collections for domestic NHIL and GET Fund Levy amounted to GH¢ 2.47 billion each, up from GH¢ 1.45 billion in 2021. This represents a nominal growth of 70.9%, and real growth of 28.7%. Collections in 2022 made a positive deviation of 26.6% above the 2022 annual target of GH¢ 1.95 billion.

69. The domestic NHIL and GET Fund Levy were also 30.4% and 26.9% above the 2022 revised targets of GH¢ 1.90 billion and GH¢ 1.95 billion respectively.

70. Figure 19 displays actual and target monthly collections for NHIL on domestic supplies. As annual targets and collections are identical for the two levies in each month, Figure 19 serves to compare targets to actual receipts for the GETFund Levy as well. Collections of domestic NHIL and GETFund levies follow broadly similar trends to domestic VAT.

Figure 19: Actual and annual target domestic collections (NHIL or GETFund), 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Import NHIL and GETFund Levy

71. Collections of NHIL and GETFund levies on imported goods totalled GH¢ 1,287.66 million and GH¢ 1,287.64 million in 2022, an increase from GH¢ 919.17 million and GH¢ 919.90 million in 2021, respectively. For import NHIL, this represents a nominal growth of 40.1%, or an increase of 5.3% after accounting for inflation. For import GETFund, this represents a growth of 40.0% in nominal terms, or a real growth of 5.2%.

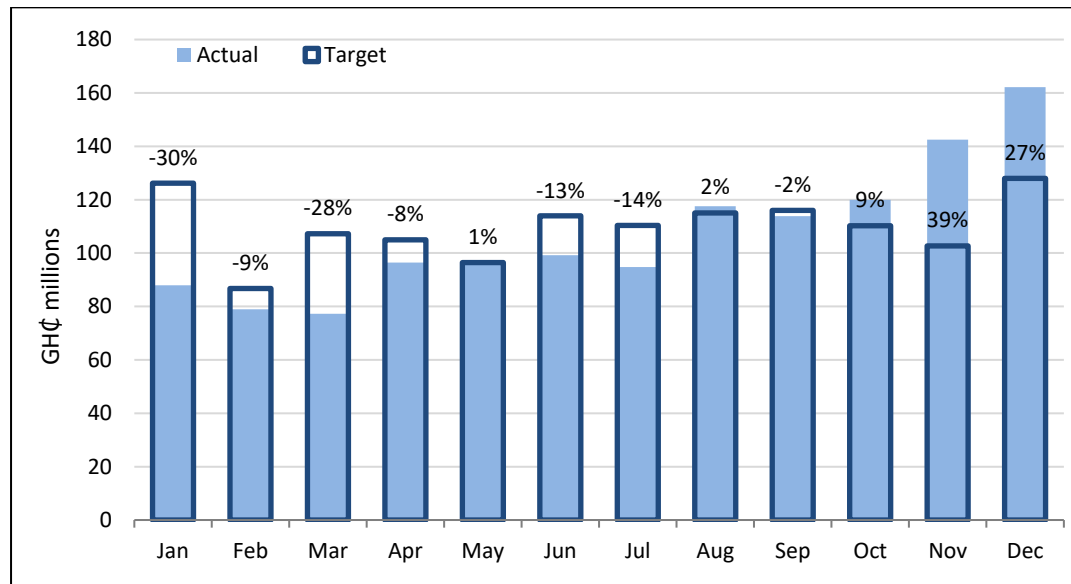
72. Import NHIL collections were 2.3% below the 2022 annual target of GH¢ 1.32 billion and 12.5% above the 2022 revised target of GH¢ 1.14 billion, while the



import GETFund levy was 2.8% below the 2022 annual target of GH¢ 1.32 billion and 12.3% above the 2022 revised target of GH¢ 1.15 billion (see Figure 20 and Figure 21).

73. The discrepancy between collections of import NHIL and the GETFund Levy is as a result of not granting tax exemptions for NHIL in some contracts. Similar to import VAT, the performance of these taxes is strongly linked to import CIF, which is discussed in greater detail in Section Four 0.

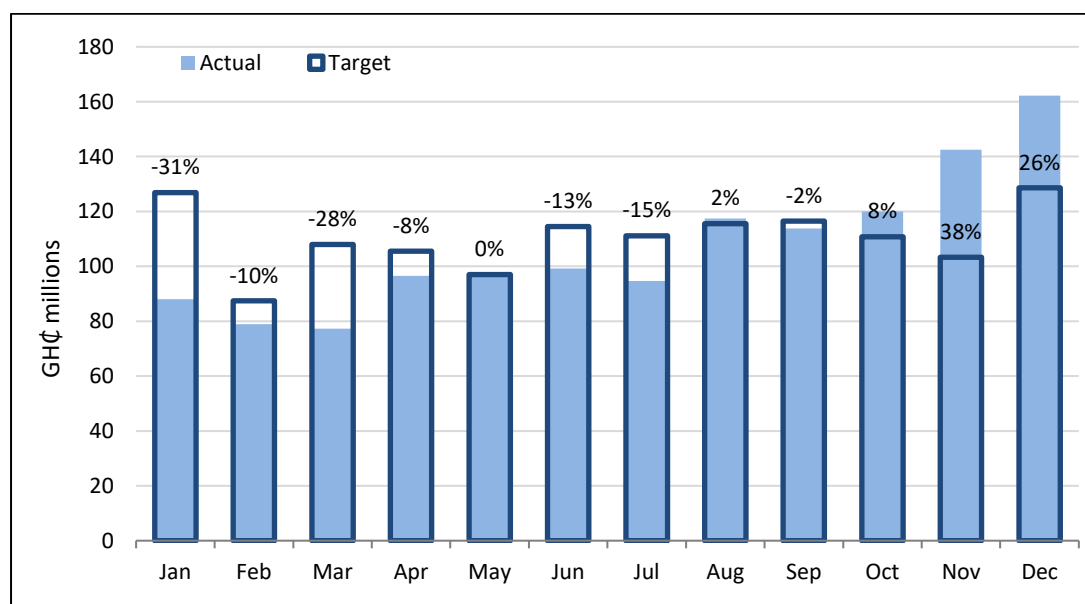
Figure 20: Actual and annual target import NHIL collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Figure 21: Actual and annual target import GETFund Levy collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.



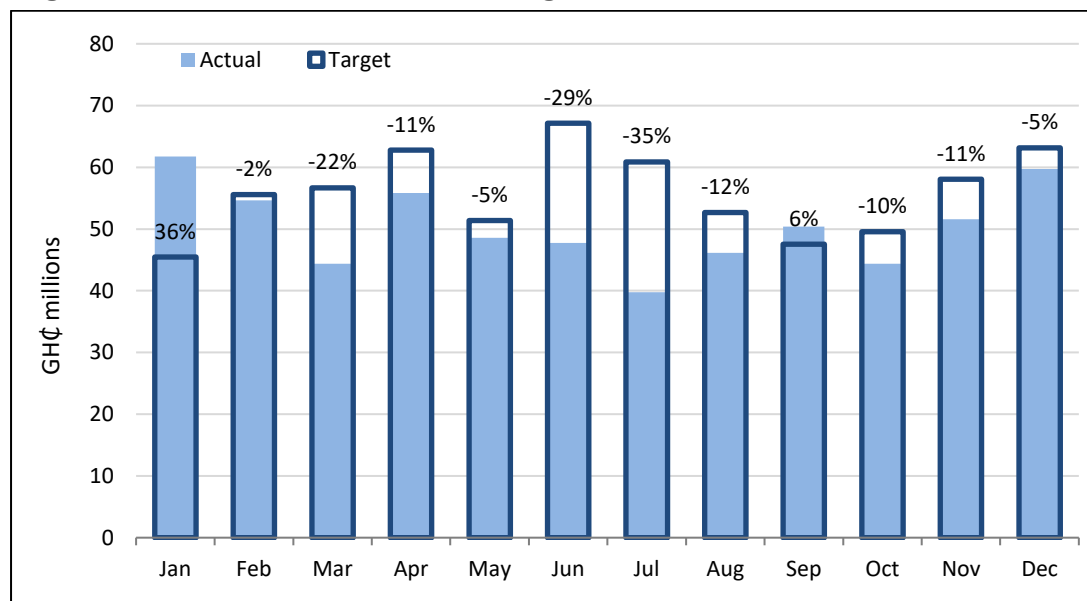
vii. Excise Tax

74. Ghana’s excise duty ranges from 0% to 175% of the ex-factory price of excisable products. In the case of imports, it is levied on the CIF value and applies to products such as beer, spirits, packaged water, and tobacco (see Table 5: Excise tax rates, 2022). An environmental excise tax of 10% is levied on plastic and plastic products listed under Chapters 39 and 63 of the Harmonised System and Custom Tariff Schedules.

75. Excise collections amounted to GH¢ 604.82 million in 2022, an increase from GH¢ 526.48 million in 2021. This represents a nominal growth of 14.9% but a decrease of 11.3% after accounting for inflation. Collections in 2022 were 9.8% below the 2022 annual target and 2022 revised targets of GH¢ 670.88 million.

76. Excise revenue underperformed its target throughout the year except in January and September, see Figure 22. GRA attributes this underperformance to expected consumption levels not being met.

Figure 22: Actual and annual target excise tax collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

77. Despite the introduction of the excise tax stamp policy at the end of 2018, the anticipated increase in excise tax collection, compared to its target, is yet to be realised. Excise collections grew by 2.9%, 4.1% and 8.6% (in real terms) in 2019, 2020 and 2021, respectively.



Table 5: Excise tax rates, 2022

Item		Tax rate
Mineral water, bottled water, and soft drinks		17.5%
Malt drinks, manufactured with...	less than 30% local raw materials	17.5%
	30%-50% local raw materials	12.5%
	50%-70% local raw materials	7.5%
	more than 70% local raw materials	2.5%
Beer and stout, other than indigenous beer, manufactured with...	less than 50% local raw materials	47.5%
	50%-70% local raw materials	32.5%
	more than 70% local raw materials	10%
Wine		22.5%
Spirits (except Akpeteshie)		25%
Spirits (Akpeteshie)		20%
Spirits denatured to the satisfaction of the CG		10%
Cigarettes, cigars, snuff and other tobacco		175%
Plastic and plastic products under chapters 39 and 63 of the HS Code		10%

Source: Excise Duty Act, 2014 (Act 878), as amended.

viii. Communication Services Tax (CST)

78. The CST was introduced in 2006, levied at an ad-valorem rate of 6% on consumers' payments for the use of communication services provided by a company with a Class I license. CST is paid to the GRA by communication service providers and electronic communication services on behalf of consumers, who ultimately bear the incidence of the tax.

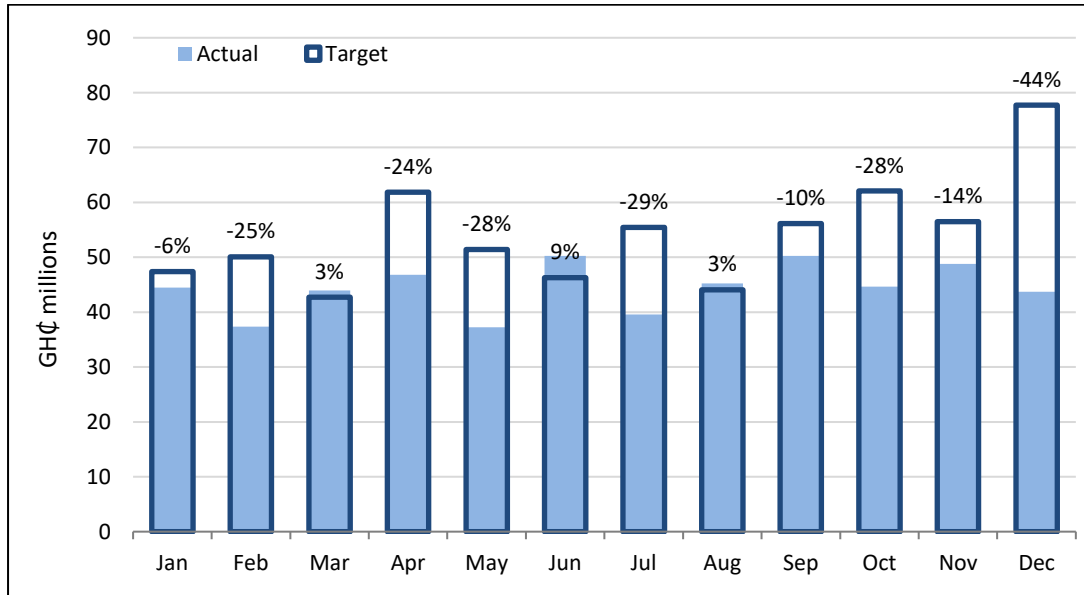
79. In the 2019 Mid-Year Budget Review, the CST rate was increased from 6% to 9%, to fund cybersecurity initiatives to protect Ghana's digital infrastructure. In the 2020 Mid-Year Budget Review, the CST rate was reduced from 9% to 5%, to provide relief to households and businesses during the Covid-19 pandemic and promote digitalisation.

80. Total CST collections amounted to GH¢ 532.29 million in 2022, up from GH¢ 428.73 million in 2021. This represents a nominal increase of 24.2% but a decrease in real growth of 4.5%. Collections in 2022 were 18.3% below the 2022 annual target of GH¢ 651.74 million and 8.4% below the 2022 revised target of GH¢ 580.95 million.



81. Figure 23 is a plot of actual and target monthly CST collections in 2022. Collections were below the annual target in all months except March, June, and August. GRA attributes the underperformance to lower-than-expected demand for communication services during the period under review.

Figure 23: Actual and annual target CST collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

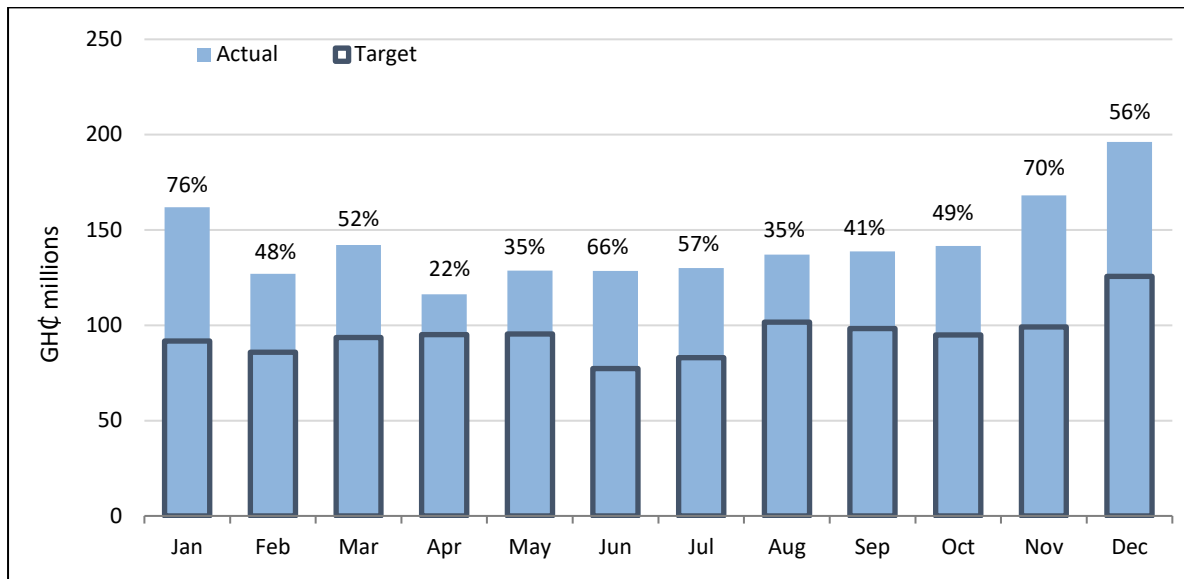
ix. COVID-19 Health Recovery Levy

82. The COVID-19 Health Recovery Levy was introduced in May 2021 to mobilise additional domestic revenue in response to the fiscal costs from the provision of COVID-19 pandemic related support. The COVID-19 Health Recovery Levy is administered by the GRA in three forms: The COVID-19 Health Recovery Levy Flat Rate, the COVID-19 Health Recovery Levy Standard Rate (Domestic NHIL) and the COVID-19 Health Recovery Levy Standard Rate (Import NHIL).

83. The 2022 collections for this Levy were GH¢ 1,715.89 million. This amount represents 50.3% above the 2022 annual target of GH¢ 1,141.57 million and 53.1% above the 2022 revised target of GH¢ 1,120.95 million. The monthly performance is shown in Figure 24.



Figure 24: Actual and annual target collections of COVID-19 Health Recovery Levy, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

x. Import Duties and Levies

84. Import duties and levies are charges on imports of goods and services into Ghana, which include Import Duty, Special Import Levy, African Union (AU) Levy, Economic Community of West African States (ECOWAS) Levy, Ghana Export-Import Bank (EXIM) Levy, the Customs Classification and Valuation Report (CCVR) Processing Fee, and other charges. Import duties and levies are charged on the Cost, Insurance and Freight (CIF) value of products.

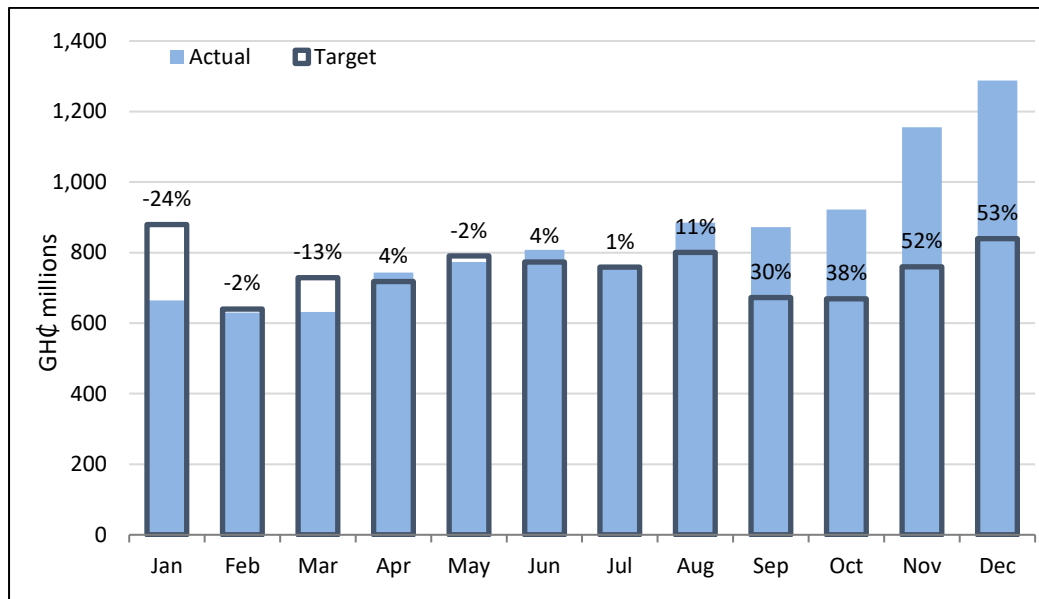
85. Collections of import duties and levies totalled GH¢ 10.14 billion in 2022, up from GH¢ 6.87 billion in 2021. This represents a nominal growth of 47.6%, or a real growth of 10.9%. Collections in 2022 were 12.3% above the 2022 annual target of GH¢ 9.03 billion and were 18.3% above the 2022 revised target of GH¢ 8.57 billion.

86. This strong performance was partly due to the implementation of the partial reversal of the discount policy, the appreciation of other currencies⁸ and the above-target CIF value in the second half of the year. Figure 25 and Figure 26 are plots of the monthly actual and target collections for 2022 for import duties and CIF volumes respectively.

⁸ The cost of imports is based on the exchange rates of major currencies such as USD, GBP, EUR, etc.



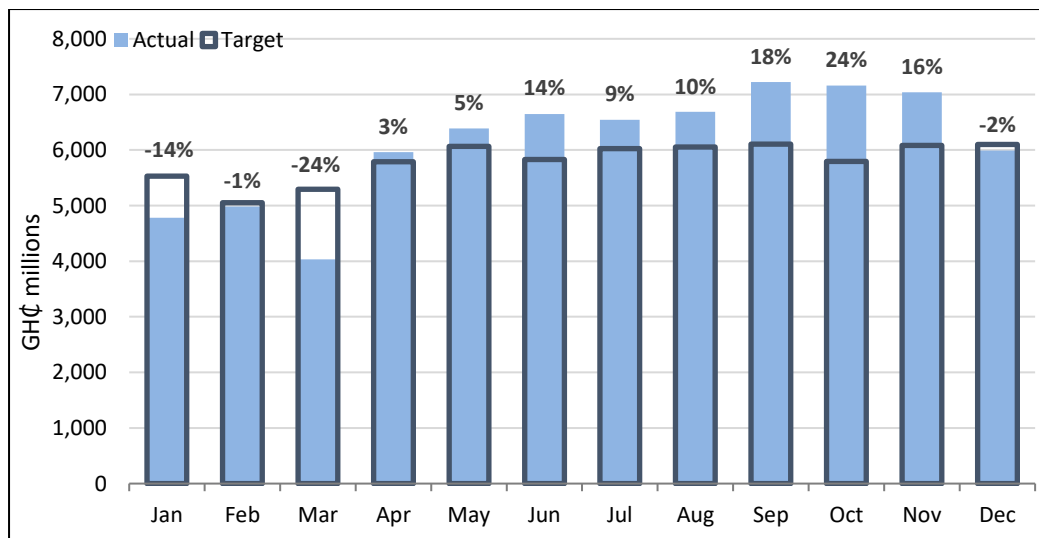
Figure 25: Actual and target import duties and levies collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Figure 26: Actual and annual target CIF volumes, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

xi. Special Petroleum Tax (SPT)

87. Licenced oil-marketing companies are required to charge SPT on petrol, diesel, liquefied petroleum gas, natural gas, and kerosene. The tax is charged at specific rates per litre or kilogram of the product (see Table 6).



88. The tax was introduced in 2014 at an ad valorem rate of 17.5% of the ex-depot price of petroleum products. In 2017, the rate was reduced to 15%, and in February 2018 the SPT was converted to a specific tax.⁹

Table 6: Special petroleum tax rates, 2022

Petroleum product	Tax rate per litre (GH¢)	Petroleum product	Tax rate per kilogram (GH¢)
Petrol	0.46	Liquefied petroleum gas	0.48
Diesel	0.46	Natural gas ¹⁰	0.35
Kerosene	0.39		

Source: Special Petroleum Tax (Amendment) Act, 2018 (Act 965).

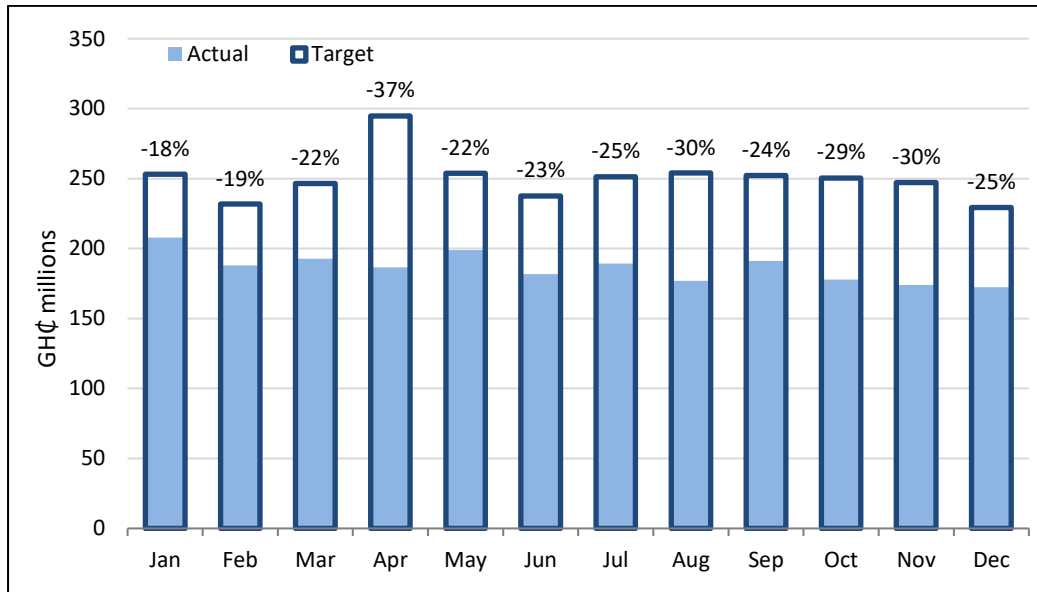
89. SPT collections in 2022 totalled GH¢ 2.24 billion, down from GH¢ 2.34 billion in 2021. This represents a nominal negative growth of 4.3% and a negative real growth of 26.0%. Collections in 2022 were 25.5% below the 2022 annual target and 2022 revised target of GH¢ 3.00 billion. Figure 27 shows the pattern of collections for the year.

⁹ *Special Petroleum Tax (Amendment) Act, 2018 (Act 965)*

¹⁰ *The Special Petroleum Tax Act, 2014 (Act 879) refers to “Natural petroleum gas”.*



Figure 27: Actual and annual target SPT collections, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

xii. Petroleum Taxes and Energy Debt Recovery Levy

90. These charges are levied on the sale of petrol, kerosene, diesel, and fuel oil. Petroleum taxes includes revenue from the Energy Fund Levy and the Road Fund Levy. It reports the other levies under the Energy Debt Recovery Levy (see Table 7).



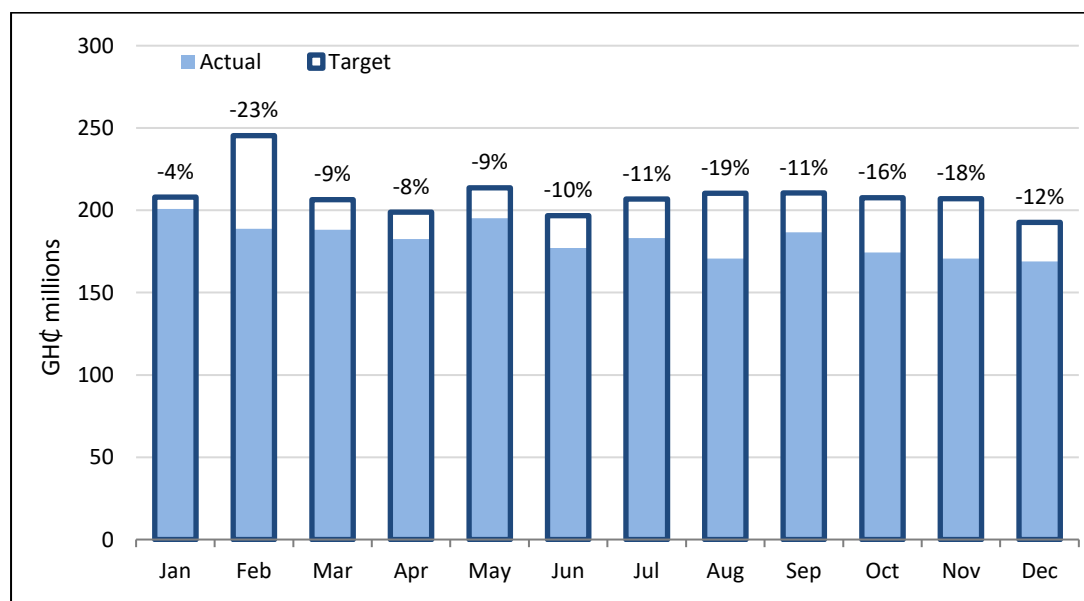
Table 7: Petroleum taxes and levies rates, 2022

Levy	Item	Rate	Purpose
Energy Debt Recovery Levy	Petrol, diesel	GH¢ 0.49 per litre	Debt recovery of Tema Oil Refinery; downstream petroleum sector foreign exchange under recoveries; boost investments in power infrastructure
	Marine gas oil	GH¢ 0.03 per litre	
	Fuel oil	GH¢ 0.04 per litre	
	Liquefied petroleum gas	GH¢ 0.41 per kg	
Energy Fund Levy	Petrol, kerosene, diesel, fuel oil	GH¢ 0.01 per litre	Support activities of the Energy Commission
Price Stabilisation and Recovery Levy	Petrol	GH¢ 0.16 per litre	Used as a buffer for under recoveries, or subsidies to stabilise petroleum prices for the consumer
	Diesel	GH¢ 0.14 per litre	
	Liquefied petroleum gas	GH¢ 0.14 per kg	
Road Fund Levy	Petrol, diesel	GH¢ 0.48 per litre	Support road maintenance

Source: Energy Sector Levies Act, 2015 (Act 899); Energy Sector Levies (Amendment) Act, 2017 (Act 946); Energy Sector Levies (Amendment) Act 2019 (Act 997).

Petroleum Taxes

91. In 2022, collections from petroleum taxes amounted to GH¢ 2.19 billion, down from GH¢ 2.27 billion in 2021. This represents a nominal negative growth of 3.6% and a real negative growth of 25.4%. Collections in 2022 were 12.7% below the 2022 annual target and 2022 revised target of GH¢ 2.50 billion. Figure 28 shows the profile of collections for the year.

Figure 28: Actual and annual target collections of petroleum taxes 2022

Data source: Ghana Revenue Authority



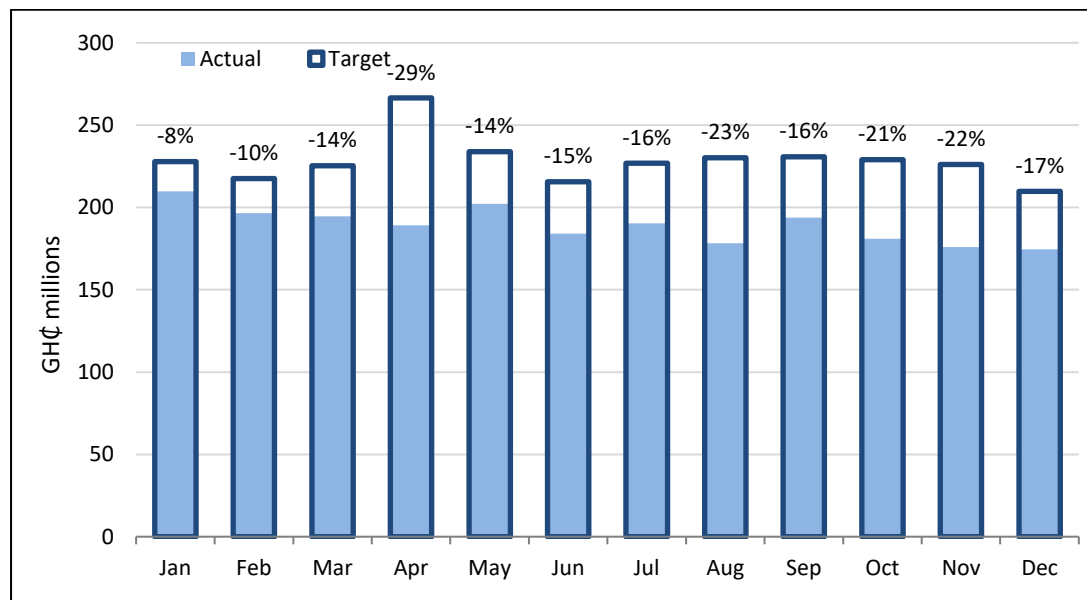
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Energy Debt Recovery Levy (EDRL)

92. EDRL is payable on sales of petrol, diesel, marine gas oil, fuel oil and liquefied petroleum gas at the rates specified in Table 7. EDRL collections totalled GH¢ 2.27 billion in 2022, down from GH¢ 2.37 billion in 2021. This represents a nominal negative growth of 4.4% and real growth of negative 26.0%. Collections in 2022 were 17.1% below the annual and revised targets of GH¢ 2.74 billion.

93. Figure 29 shows the profile of EDRL collections relative to annual targets for the year.

Figure 29: Actual and annual target collections of Energy Debt Recovery Levy, 2022



Data source: Ghana Revenue Authority

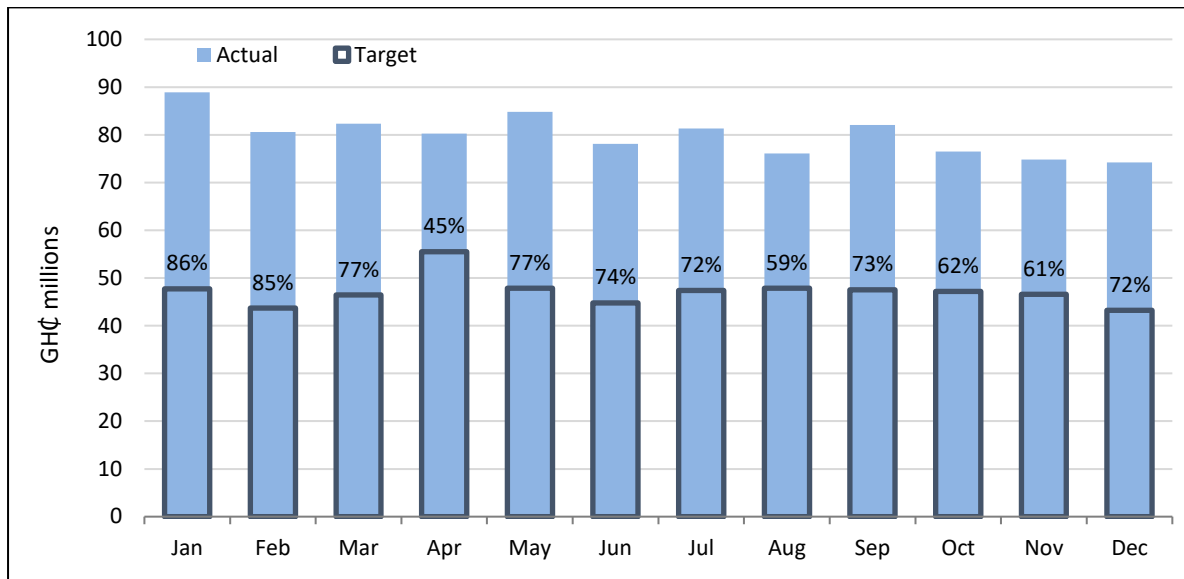
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Energy Sector Recovery Levy (ESRL)

94. The Energy Sector Recovery levy (ESRL) is a levy of 20 pesewas on the price per litre of petrol/diesel under the Energy Sector Levies Act (ESLA). ESRL collections for 2022 totalled GH¢ 959.86 million, representing 69.7% above the 2022 annual and revised targets of GH¢ 565.68 million. The monthly performance is shown in Figure 30.



Figure 30: Actual and annual target collections of Energy Sector Recovery Levy (ESRL), 2022



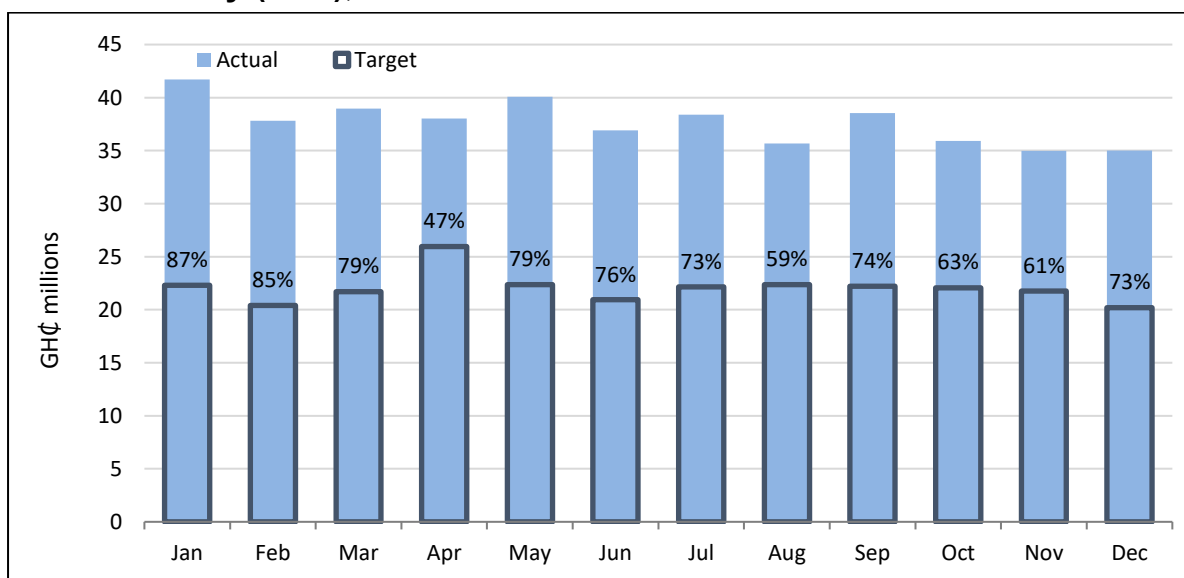
Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

Sanitation and Pollution Levy (SPL)

95. The Sanitation and Pollution Levy (SPL) is a levy of 20 pesewas on the price per litre of petrol/diesel under the Energy Sector Levies Act (ESLA). SPL collections totalled GH¢ 452.01 million in 2022, representing 71.0% above the 2022 annual and revised targets of GH¢ 264.4 million. The monthly performance is shown in Figure 31.

Figure 31: Actual and annual target collections of Sanitation and Pollution Levy (SPL), 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

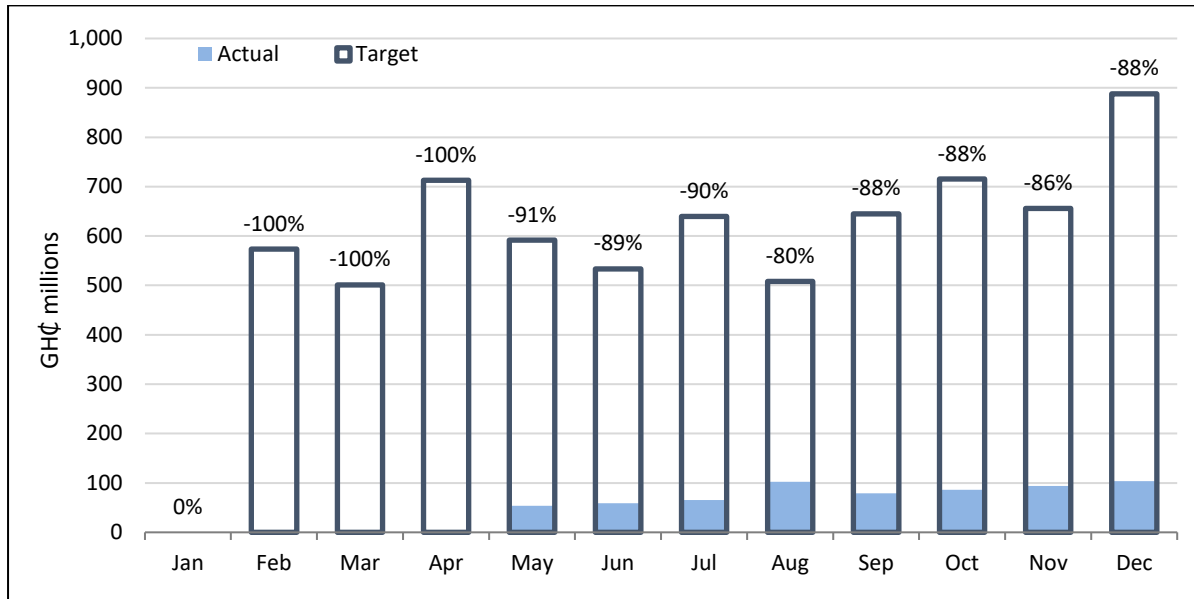


Section Five: Introduction of the Electronic Transfer Levy

96. The 2022 Budget Statement and Economic Policy proposed an Electronic Transaction Levy (e-transaction levy) of 1.75% on the value of digital transactions with an exempt daily transaction of a cumulative value of GH¢100 or less, per person for eligible mobile money transactions and a cumulative value of GH¢20,000 for eligible bank to bank transactions.
97. The Levy was placed on all electronic transactions including mobile money payments, bank transfers, merchant payments, and inward remittances. The Levy was to be borne by the sender, except inward remittances, which was to be borne by the recipient.
98. Government's rationale behind the Electronic Transaction Levy or "E-Levy" was to widen the tax net and rope in the informal sector. A portion of the proceeds was set to support entrepreneurship, youth employment, cyber security, digital and road infrastructure, among others. The policy was to come into effect from 1st February 2022.
99. The announcement of the Levy sparked a public outcry and the Bill submitted to Parliament faced intense scrutiny and amendments. After several consultations and public sensitisation, a revised Bill, with a headline rate of 1.5%, was passed by Parliament on 27th March 2022 and assented to by the President on 29th March 2022 as the Electronic Transfer Levy, 2022 (Act 1075). The effective date for implementation was 1st May 2022.
100. Aside the reduction of the tax rate from 1.75% to 1.5%, the scope of application for the Levy was limited to specific charging entities, types of transfers covered, and types of transfers not covered, as outlined in Appendix 4.
101. In the Mid-Year Fiscal Policy Review of the 2022 Budget Statement, the target was revised downwards from GH¢ 6.96 billion to GH¢ 611 million, due to the revised scope of the annual policy.
102. GRA collected GH¢ 643.35 million during the eight (8) months of implementation, a shortfall of 90.8% below the annual target of GH¢ 6.96 billion and an increase of 5.3% above the revised target of GH¢ 611 million. Figure 32 plots the actual and target monthly E-Levy collections in 2022, and the percentage difference between the two.



Figure 32: Actual and annual target collections of Electronic Transfer Levy, 2022



Data source: Ghana Revenue Authority

Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.



Section Six: New Tax Measures in 2023 Budget Statement

103. To support the restoration of macroeconomic stability and accelerate economic transformation under the Post-COVID-19 Programme for Economic Growth (PC-PEG), the Government of Ghana proposed several revenue policies in the 2023 Budget Statement to underpin the programme, including new tax measures.

104. The list below summarises the key tax policy and administrative measures that were announced in the 2023 Budget:

a. Tax Policy Measures

- i. Introduce an additional income tax bracket of 35%;
- ii. Introduce a return and withholding tax rate for gains on realization of assets and liabilities;
- iii. Review the upper limits for motor vehicle benefits;
- iv. Increase the one percent concessional income tax rate to five percent;
- v. Provision for implementation of a minimum chargeable income system;
- vi. Unify the loss carried forward provisions in the Income Tax Act;
- vii. Restrict the treatment of foreign exchange losses to actual losses;
- viii. Review the taxation of cigarettes and tobacco products to align with ECOWAS protocols;
- ix. Increase the excise rate for spirits above that of beers;
- x. Introduce the taxation of products such as electronic smoking devices and liquids which are not currently taxed;
- xi. Increase the Value Added Tax rate by two and a half percentage points (from 12.5% to 15%);
- xii. Review VAT threshold and VAT exemptions;
- xiii. Replace the National Fiscal Stabilisation Levy (NFSL) with the Growth and Sustainability Levy (GSL) and expand the coverage to all entities; and
- xiv. Reduce the Electronic Transfer Levy headline rate from one point five percent to one percent of the transfer value.

b. Tax Administrative Measures

- i. Reversal of the benchmark discount policy – the policy that discounted the transactional value of selected import goods will be fully phased out in 2023.



- ii. Self-Clearing of Goods by Importers – the Customs Regulations will be amended to allow for self-clearing of goods by importers at the ports of entry without recourse to a customs house Agent.



Section Seven: Conclusion

105. This report has explored collections of tax revenue between January and December 2022, comparing revenue performance to previous collections and the 2022 annual and revised targets. The analysis highlights several factors which accounted for the performance of the tax types in 2022.

106. Areas for further investigation are listed below:

- **COVID-19 Health Recovery Levy** – an incidence analysis to review how these levies affected the collections of other tax types and various sectors within the economy.
- **Excise** –To holistically quantify the impact of the sliding scale policy vis-à-vis the objectives for its introduction. To examine why the implementation of the excise tax stamp policy has not had a significant impact on collections.
- **VAT** – Undertake further analytical work to improve VAT collection,
- Review the impact of recent reforms (the introduction of the post COVID-19 recovery levies and the partial reversal of the discount policy) on businesses. This could help quantify the economic impact of short-term reforms.



Appendices



Appendix 1: Actual and annual target tax revenues, 2022

	Actual (GH¢ m)	Annual Target (GH¢ m)	Deviation (GH¢ m)	Deviation (%)
Domestic direct	34,337.33	35,259.71	(922.38)	(2.6)
PIT - PAYE	12,065.41	12,281.51	(216.10)	(1.8)
PIT - Self-Employed	659.17	1,362.05	(702.88)	(51.6)
Companies	17,650.36	18,035.58	(385.22)	(2.1)
Other direct	317.30	499.66	(182.36)	(36.5)
Mineral royalties	1,796.19	1,677.85	118.34	7.1
Airport tax	789.58	396.03	393.55	99.4
NFSL	693.48	754.23	(60.75)	(8.1)
Financial Sector Recovery Levy	365.85	252.79	113.06	44.7
Domestic indirect	19,106.05	24,426.86	(5,320.81)	(21.8)
Domestic VAT	8,963.92	8,480.93	482.99	5.7
Excise	604.82	670.88	(66.06)	(9.8)
Domestic NHIL	2,472.27	1,952.14	520.13	26.6
Domestic GET Fund Levy	2,472.27	1,952.14	520.13	26.6
CST	532.29	651.74	(119.45)	(18.3)
Covid-19 Health Recovery Levy (Flat Rate)	206.53	284.16	(77.63)	(27.3)
Covid-19 Health Recovery Levy (Standard Rate)	972.92	469.27	503.65	107.3
Electronic Transaction Levy	643.35	6,963.39	(6,320.04)	(90.8)
Special Petroleum Tax	2,237.68	3,002.21	(764.53)	(25.5)
Customs	22,262.97	20,619.09	1,643.88	8.0
Import duties and levies	10,139.39	9,029.97	1,109.42	12.3
Import VAT	6,824.72	6,053.93	770.79	12.7
Import NHIL	1,287.66	1,317.82	(30.16)	(2.3)
Import GET Fund Levy	1,287.65	1,324.90	(37.25)	(2.8)
Import Covid-19 Health Recovery Levy	536.45	388.13	148.32	38.2
Petroleum taxes	2,187.11	2,504.34	(317.23)	(12.7)
Total tax revenue	75,706.34	80,305.66	(4,599.32)	(5.7)
Energy Debt Recovery Levy	2,269.64	2,739.05	(469.41)	(17.1)
Energy Sector Recovery Levy	959.86	565.68	394.18	69.7
Sanitation and Pollution Levy	452.01	264.40	187.61	71.0
Grand total	79,387.85	83,874.79	(4,486.94)	(5.3)

Note: Target figures are as stated in Appendix 3B of the 2022 Budget Statement.



Appendix 2: Vehicle income tax rates by class of vehicle

Class of vehicle	Description	Annual rates (GH¢)	Current rate per quarter (GH¢)
A1	Tractor, power tillers and tanker	40	10
A2	Taxis/private taxis	48	12
A3	One pound, one pound/Peugeot cars/fork-lift, recovery towing trucks	60	15
A4	Trotro (up to 15 persons)	64	16
B1	Hiring cars (saloon, caravan)	320	80
B2	Hiring cars (4x4) four wheels	480	120
B3	Trotro (up to 19 persons)	80	20
B4	Trotro (20-23 persons)	88	22
B5	Trotro (24-32 persons and above)	120	30
C1	Commuter (up to 15 persons)	80	20
C2	Commuter (16-19 persons)	100	25
C3	For buses, commuter (up to 23 persons)	80	20
C4	Tour operator (up to 15 persons)	320	80
C5	Commuter (up to 38 persons)	160	40
C6	Tour operator (16-23 persons)	400	100
C7	Commuter (39-45 persons)	200	50
C8	Tour operator (24-38 persons)	280	70
C9	Tour operator (above 45 persons)	600	150
C10	Commuter (46 and above persons)	240	60
D1	Dry cargo (< 2 tons) pay loaders/pickups 2-3.5 tons	140	35
D2	Dry cargo (2-4 tons) tankers 2000 gallons/sewage tankers garbage trucks/cranes	256	64
D3	Tankers above 2000 gallons/graders/bulldozer	404	101
D4	Dry cargo (4-7 tons)	480	120
D5	Tipper trucks (single axe)	320	80
D6	Tipper trucks (double axe)	480	120
D7	Articulated truck trailers (18 cubic)/timber trucks	800	200
D8	Tipper trucks (12-14 wheelers)	600	150
D9	Ambulance/motor hearse	88	22
D10	Articulated truck trailers (single axe)	800	200

Source: Third Schedule, Income Tax Regulations, 2016 (L.I.2244).



Appendix 3: Tax stamp rates by category of taxpayer

Category	Size	Rate per quarter (GH¢)
A: (i) retail traders, (ii) susu collectors, (iii) drinking and chop bars, (iv) bakeries, (v) business centres, and (vi) estates and accommodation agents	Large	45
	Medium	30
	Small	10
	Table Top	3
B: (i) dress makers and tailors, (ii) hairdressers, beauticians and barbers, (iii) artisans (masons, carpenters, plumbers, electricians, tillers, steel benders, labourers etc.), (iv) hiring services other than vehicle hiring, and (v) freelance photographers (persons who make a living out of photography other than operating in a studio or specific location)	Large	35
	Medium	20
	Small	5
	Table Top	3
C: (i) butchers, (ii) individual undertakers, (iii) corn and other millers, (iv) charcoal and firewood vendors, (v) auto technicians, (vi) vulcanizers and alignment operators, (vii) shoe and equipment repairs, and (viii) traditional healers	Large	25
	Medium	15
	Small	3
	Table Top	3

Source: Third Schedule, Income Tax Regulations, 2016 (L.I.2244).



Appendix 4: Scope of the Electronic Transfer Levy

4A. Charging Entities	
1.	Electronic Money Issuers (EMIs)
2.	Payment Service Providers (PSPs)
3.	Banks
4.	Specialised Deposit-Taking Institutions (SDIs)
5.	Other Financial Institutions prescribed by Regulations made under this Act.

Source: First Schedule, Electronic Transfer Levy, 2022 (Act 1075)

4B. Types of Transfers Covered	
1.	Mobile money transfers done between accounts on the same electronic money issuer;
2.	Mobile money transfers from an account on one electronic money issuer to a recipient on another electronic money issuer;
3.	Transfers from bank accounts to mobile money accounts;
4.	Transfers from mobile money accounts to bank accounts; and
5.	Bank transfers on an instant pay digital platform or application originating from a bank account belonging to an individual, subject to a threshold to be determined by the Minister.

Source: Second Schedule, Electronic Transfer Levy, 2022 (Act 1075)

4C. Types of Transfer NOT Covered (Exclusions)	
1.	A cumulative transfer of one hundred Ghana cedis a day made by the same person
2.	A transfer between accounts owned by the same person
3.	A transfer for the payment of taxes, fees, and charges on the Ghana.gov system or any other Government of Ghana designated system
4.	Specified merchant payments
5.	Transfers between principal, agent, and master-agent accounts
6.	Electronic clearing of cheques

Source: Electronic Transfer Levy, 2022 (Act 1075), as amended.

