



REPUBLIC OF GHANA

## MINISTRY OF FINANCE

# Annual Tax Revenue Performance Report: 2023

Prepared by:

**Revenue Policy Division (RPD)**



The Annual Tax Revenue Performance Report is available at:  
[www.mofep.gov.gh](http://www.mofep.gov.gh)



## 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 anchor of Ghana's three-year US\$3bn Post COVID-19 Programme for Economic Growth (PC-PEG) with the IMF. The PC-PEG is aimed at restoring macroeconomic stability and debt sustainability, including wide-ranging reforms to build resilience and lay the foundation for stronger and more inclusive growth.

In this report, the performance of tax revenue collections in 2023 is reviewed. The total tax revenue collection in 2023 was GH¢113.07 billion, this represented a growth rate of 49.4% over the total tax revenue of GH¢75.71 billion in 2022. Also, the 2023 collections were 6.7% above the annual target of GH¢106.00 billion and 3.5% above the revised target of GH¢109.19 billion.

Corporate Income Tax (CIT) and Value Added Tax (VAT) were the two main tax types that significantly contributed to collections in 2023. CIT contributed 25.9% and VAT 22.1% of total tax revenue, with both tax types increasing their contributions in 2022 from 23.3% and 20.9% respectively.

This report conducts an analysis of the 2023 collections, comparing with the annual and revised revenue targets for 2023 as well as the collections in preceding years. Through these comparisons, potential shortcomings are identified, highlighting the need for the adoption of policy measures to bolster domestic revenue mobilization efforts.

This report is divided into seven sections. **Section One: Macroeconomic Context** provides the macroeconomic context for 2023 globally and in Ghana. **Section Two: Overview of 2023 Tax Revenue Performance** assesses the performance of tax collections in the last five years (2019-2023). **Section Three: Trends in Annual Tax Revenue Performance** compares the annual tax revenue to inflation over 2019-2023, the growth rates of nominal and real tax revenues and the annual actual tax collections to the annual and revised targets. **Section Four: Analysis of Performance by Tax Type** details the performance of each tax type in 2023. **Section Five: Medium-Term Revenue Strategy (MTRS)** outlines the Medium-Term Revenue Strategy (MTRS) while **Section Six: New Tax Measures in 2024 Budget Statement** details the new tax measures proposed in the 2023 Budget. Finally, **Section Seven: Conclusion** provides a brief conclusion and summary of areas for further investigation.

## Section One: Macroeconomic Context

### A. Global Macroeconomic Development

1. In 2023, there were globally higher interest rates as a result of the previous year's inflationary pressures stemming from the ongoing Russia- Ukraine war as well as tight post-COVID-19 supply chains. These have worsened the servicing of already high debt burdens and caused exchange rate pressures whilst reducing demand. However, global inflation fell - as energy and food prices declined – from 8.7% in 2022 to 6.8% in 2023 but remained above target in many economies due to core inflation driven by tight labour markets.<sup>1</sup>
2. Global economic growth performance varied. The United States exhibited strong growth whilst in the latter half of the year, growth in Europe slowed and contracted in the UK and Japan.
3. Global growth was estimated to be 3.2% in 2023, down from a rate of 3.5% in 2022.<sup>2</sup> Sub-Saharan Africa's (SSA) estimated growth rate of 3.4% in 2023 was higher than the global rate; but lower than the 4.0% of 2022.<sup>3</sup>

### B. Macroeconomic Development: Ghana

4. The projected growth rate for Ghana was 3.3% in 2023 after the economy expanded by 4.7% in 2022.<sup>4</sup> Ghana's growth rate was therefore 0.1% below the estimated growth rate for SSA and 0.1% above the global average.
5. The Cedi depreciated by 27.8% against the United States Dollar in 2023 following a depreciation of 30% in 2022.<sup>5</sup> There was a significant depreciation of 20.6% in January and a further 7.2% between February and December 2023.
6. The average inflation rate was 40.3% in 2023 with a rate of 23.2% recorded in December.<sup>6</sup> Comparatively, the average inflation rate was 31.5% in 2022 with a

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<sup>1</sup> IMF Datamapper

<https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEOWORLD>

<sup>2</sup> IMF World Economic Outlook Update April 2024

<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

<sup>3</sup> IMF, Regional Economic Outlook Sub-Saharan Africa April 2024

<https://www.imf.org/en/Publications/REO/SSA/Issues/2024/04/19/regional-economic-outlook-for-sub-saharan-africa-april-2024>

<sup>4</sup> Ghana Statistical Service

<sup>5</sup> Bank of Ghana

<https://www.bog.gov.gh/wp-content/uploads/2024/01/MPC-Press-Release-January-2024.pdf>

<sup>6</sup> Ghana Statistical Service



rate of 54.1% recorded in December. The Bank of Ghana increased the policy rate to 30.0% in 2023, the second highest rate in Africa, up from 27.0% in 2022.<sup>7,8</sup>

7. These macroeconomic factors contributed to the overall performance of Ghana's total tax revenue in 2023.

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<sup>7</sup> Bank of Ghana  
<https://www.bog.gov.gh/monetary-policy/policy-rate-trends/>

<sup>8</sup> Trading Economics  
<https://tradingeconomics.com/country-list/interest-rate?continent=africa>



## Section Two: Overview of 2023 Tax Revenue Performance

8. The Ghana Revenue Authority (GRA) collected a total non-oil tax revenue of GH¢113.07 billion during the year under review. This amount excludes the Energy Debt Recovery Levy (GH¢2.44 billion), Energy Sector Recovery Levy (GH¢998.23 million) as well as the Sanitation and Pollution Levy (GH¢470.88 million) collections.

### 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 15<sup>th</sup> of November of each financial year.

Act 921 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 2023 Budget Statement and Economic Policy read in November 2022 set the total tax revenue target at GH¢106.00 billion. This target was revised to GH¢109.19 billion in the 2023 Mid-Year Fiscal Policy Review, which was read in July 2023. The upward revision of the revenue target was in part because of the increase in the base pay on the Single Spine Salary Structure by 30 percent compared to the estimated 20 percent for the 2023 Budget which required additional revenue to meet the revised expenditure.

Notwithstanding such circumstances which may necessitate revision of a set target, it is important to compare annual budget forecasts with 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.

Except where stated otherwise, this report will focus on analysing the Ministry’s annual revenue forecast (i.e., 2023 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 2023.



**Table 1: Annual and revised tax revenue targets, 2023**

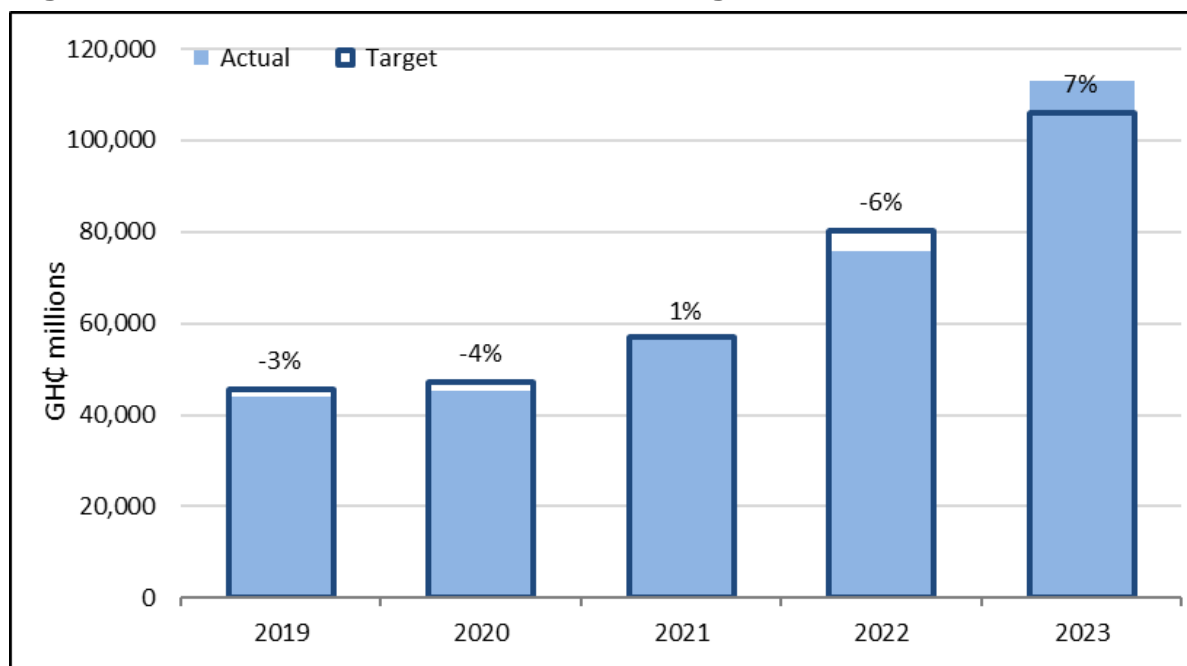
	Annual Target (GH¢m)	Revised Target (GH¢m)
<b>Domestic direct</b>	<b>47,094.12</b>	<b>47,003.59</b>
PIT - PAYE	15,680.27	17,827.06
PIT - Self-Employed	856.09	912.98
Companies	23,947.40	22,741.19
Other direct	591.74	410.45
Mineral royalties	2,547.10	2,564.50
Airport tax	877.79	1,208.07
GSL/NFSL	2,216.39	1,111.28
Financial Sector Recovery Levy	377.23	228.06
<b>Domestic indirect</b>	<b>30,371.27</b>	<b>29,798.98</b>
Domestic VAT	15,611.81	16,096.69
Excise	1,186.56	1,391.75
Domestic NHIL	3,145.97	3,077.40
Domestic GET Fund Levy	3,145.97	3,077.40
CST	782.29	938.05
Covid-19 Health Recovery Levy (Flat Rate)	96.32	97.49
Covid-19 Health Recovery Levy (Standard Rate)	1,575.95	1,595.08
Electronic Transfer Levy	2,235.11	1,111.28
Special Petroleum Tax	2,591.28	2,413.83
<b>Customs</b>	<b>28,533.34</b>	<b>32,391.32</b>
Import duties and levies	14,015.79	14,617.67
Import VAT	8,103.20	10,083.34
Import NHIL	1,498.39	2,051.60
Import GET Fund Levy	1,498.39	2,051.60
Import Covid-19 Health Recovery Levy	861.47	871.93
Petroleum taxes	2,556.09	2,715.18
<b>Total non-oil tax revenue</b>	<b>105,998.73</b>	<b>109,193.89</b>
Energy Debt Recovery Levy	2,658.84	2,658.84
Energy Sector Recovery Levy	1,108.71	1,108.71
Sanitation and Pollution Levy	522.25	522.25
<b>Grand total non-oil tax revenue</b>	<b>110,288.52</b>	<b>113,483.69</b>
Upstream Petroleum Royalties	4,129.42	2,169.04
Upstream Petroleum CIT	8,589.68	3,702.89
<b>Total Tax Revenue</b>	<b>123,007.62</b>	<b>119,355.62</b>

Data source: Ministry of Finance



9. Figures 1 and 2 show actual total tax revenue collections compared to the annual targets and then the revised targets, respectively, over the previous five years (2019-2023). The deviations between actual collections and targets are expressed as a share of the respective targets.

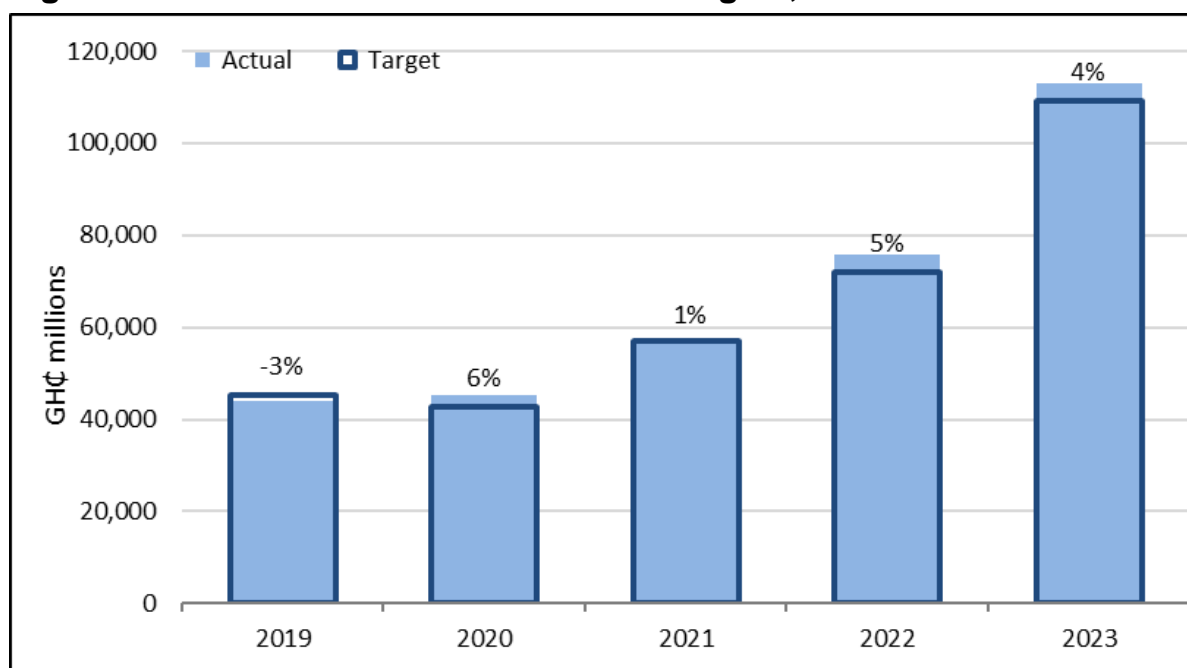
**Figure 1: Actual collections and annual targets, 2019-2023**



Data source: Ministry of Finance, Ghana Revenue Authority

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

**Figure 2: Actual collections and revised targets, 2019-2023**

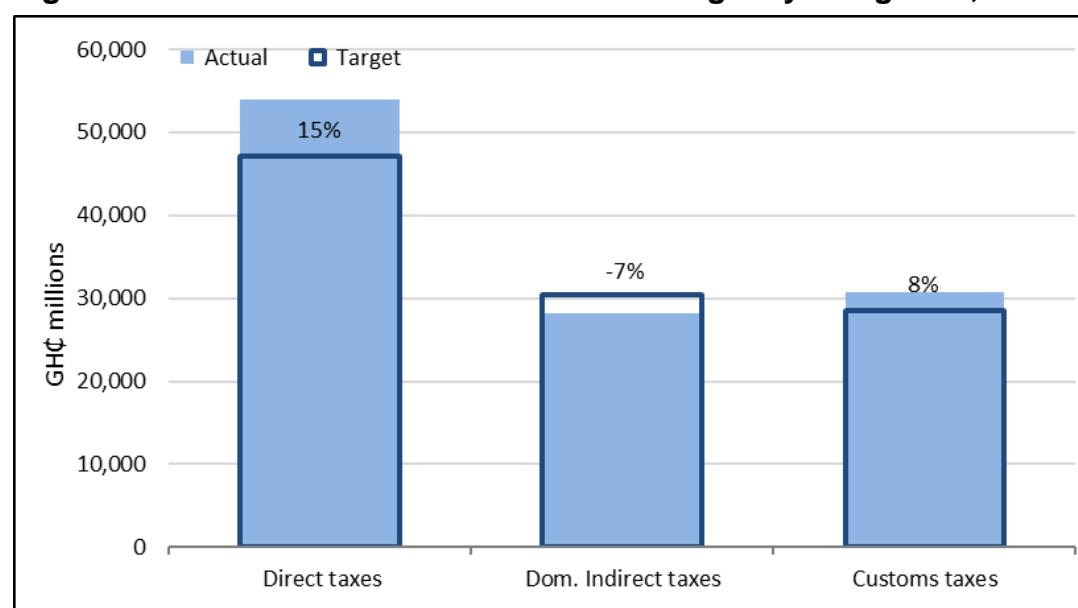


Data source: Ministry of Finance, Ghana Revenue Authority

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

10. Figure 3 and Figure 4 compare the total actual collections to the annual target and revised target, respectively, by categories (direct taxes, domestic indirect taxes and customs) for the year under review. Overall, comparing the performance of actual tax collections against the annual and revised targets by category, the performance of direct taxes and customs taxes was above the annual target while domestic indirect taxes fell below the annual target. On the other hand, domestic indirect taxes and customs taxes were below the revised target while domestic direct taxes were above the revised target.

**Figure 3: Actual collections versus annual target by categories, 2023**

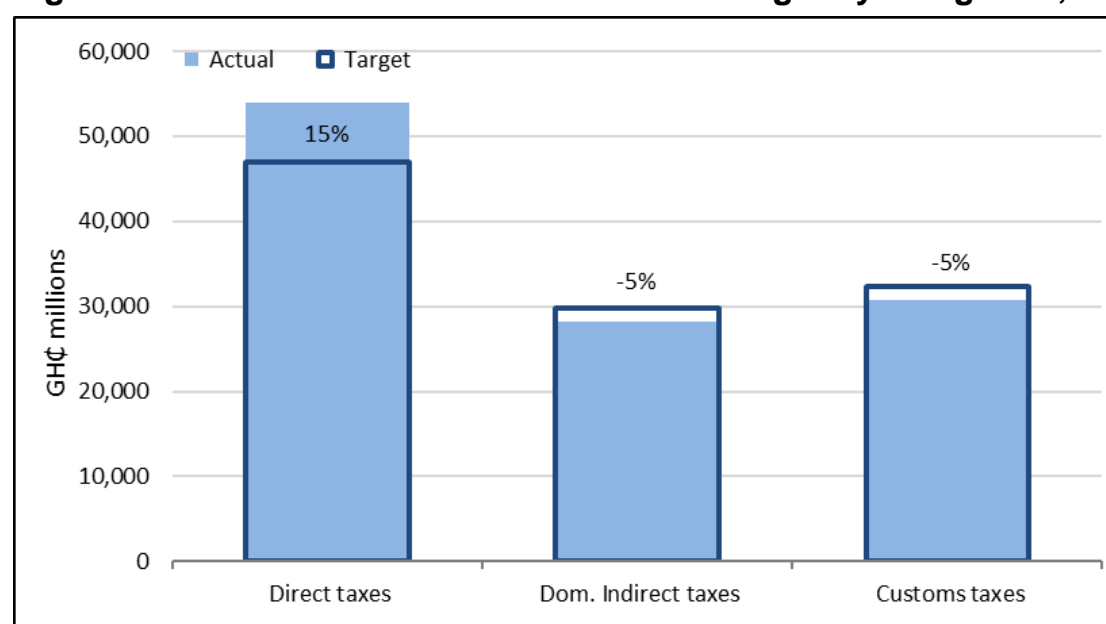


Data source: Ghana Revenue Authority

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



**Figure 4: Actual collections versus revised target by categories, 2023**



Data source: Ghana Revenue Authority

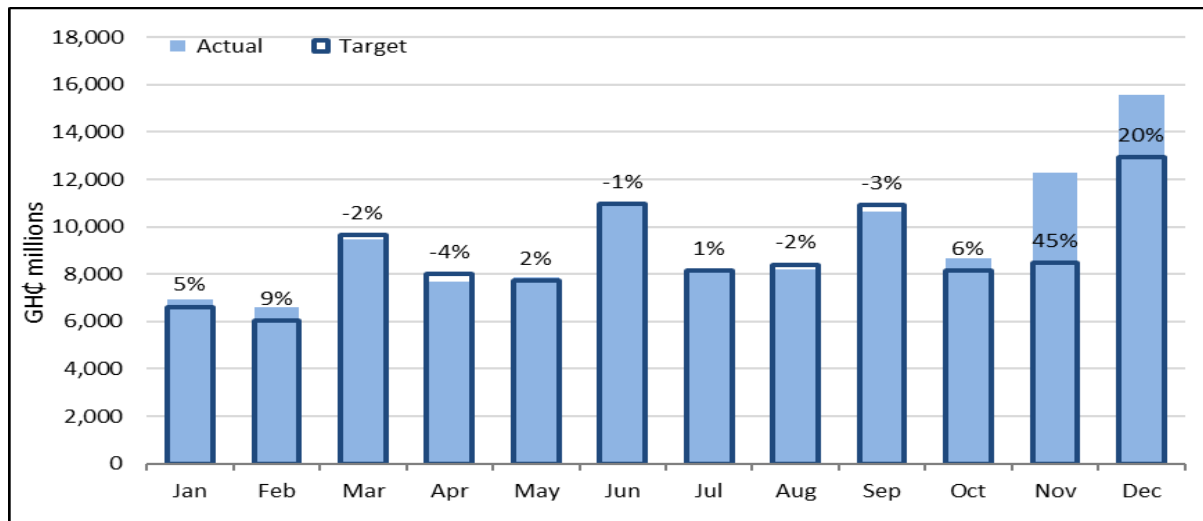
Note: Percentage figures refer to the deviation from target, expressed as a share of annual target.

11. The monthly performance of the various tax types is also important to consider. Significant deviations between actual monthly collections and monthly targets, whether positive or negative, could pose challenges in effective budgeting and planning by the Government.
12. Figure 5 contrasts the actual collections against the target set for each month in the year under review. Deviations from the target are represented as a percentage share of the target.
13. Collections in 2023 were generally positive with some marginal negative deviations in March, April, June, August and September. The last quarter of the year saw exceptional performance, especially in November and December.





**Figure 5: Actual and annual target tax collections, 2023**



Data source: Ghana Revenue Authority

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

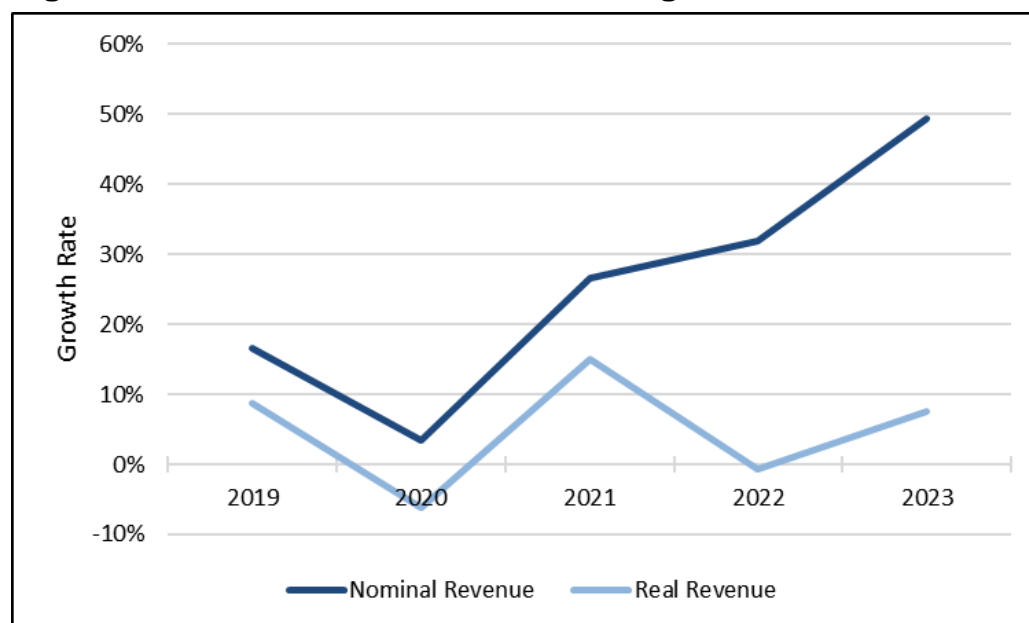
14. A detailed overview of the revenue performance in 2023 through the actual collections and annual targets, broken down for each tax type, is provided in Appendix 1.



## Section Three: Trends in Annual Tax Revenue Performance

15. Considering the high inflation experienced in 2023 – the average rate for the year was 40.3% – Section Three highlights the significance of real revenue (nominal revenue after accounting for inflation) when analysing revenue performance.
16. Figure 6 compares the annual tax revenue collected to inflation over the last five years. Before 2023 and excluding 2020 (which experienced a decline in nominal revenue growth due to COVID-19 and other factors), nominal revenue growth averaged 25.0% whilst real revenue growth averaged 7.7%. In 2023, nominal revenue grew by 49.3% as real revenue grew by 7.6%. However, in 2022 the nominal revenue growth rate was 31.8% and the real revenue growth rate was -0.7% respectively.

**Figure 6: Nominal and real tax revenue growth rate, 2019-2023**



Data source: Ghana Revenue Authority, Ghana Statistical Service

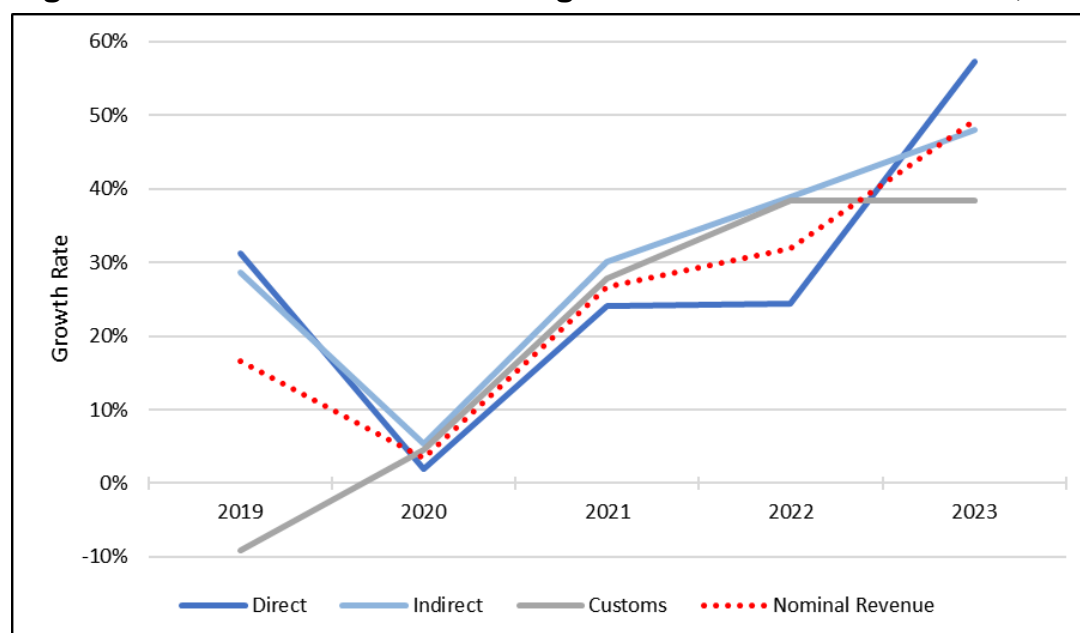
Note: Inflation is calculated using the average of the monthly weighted year-on-year inflation rates, weighted by the size of the revenue collection in each month.

17. Figure 7 illustrates the growth rate of the nominal revenue for the three tax categories: direct, indirect and customs, from 2019-2023. Both direct and indirect nominal revenue growth rates demonstrated similar trends over the five years, consistently achieving growth rates of over 20% annually, except in 2020.
18. In 2023, however, the growth rate of direct tax revenue was significant at 57.3%. That is 32.9 percentage points above that of 2022, of 24.4%.
19. In 2023, the indirect tax revenue growth rate was 8.9 percentage points higher than in 2022, at 47.9%,



20. Customs revenue growth was approximately the same as in 2022 at 38.3%. It is worth mentioning that customs revenue experienced growth at a similar rate to indirect tax revenue from 2020-2023, although in 2019 customs revenue growth was significantly below that of direct and indirect revenue growth.
21. This was a result of the discount policy (on benchmark values) introduced in April 2019, which reduced the assessed value of imports by 50% for general goods and 30% for vehicles. This policy change played a role in the decline in customs revenue for 2019. In 2022, however, the discount values were reduced to 30% for general goods and 10% for vehicles, and in 2023 the discount policy was fully removed.<sup>9</sup>

**Figure 7: Growth Rate of tax categories and nominal revenue, 2019-2023**



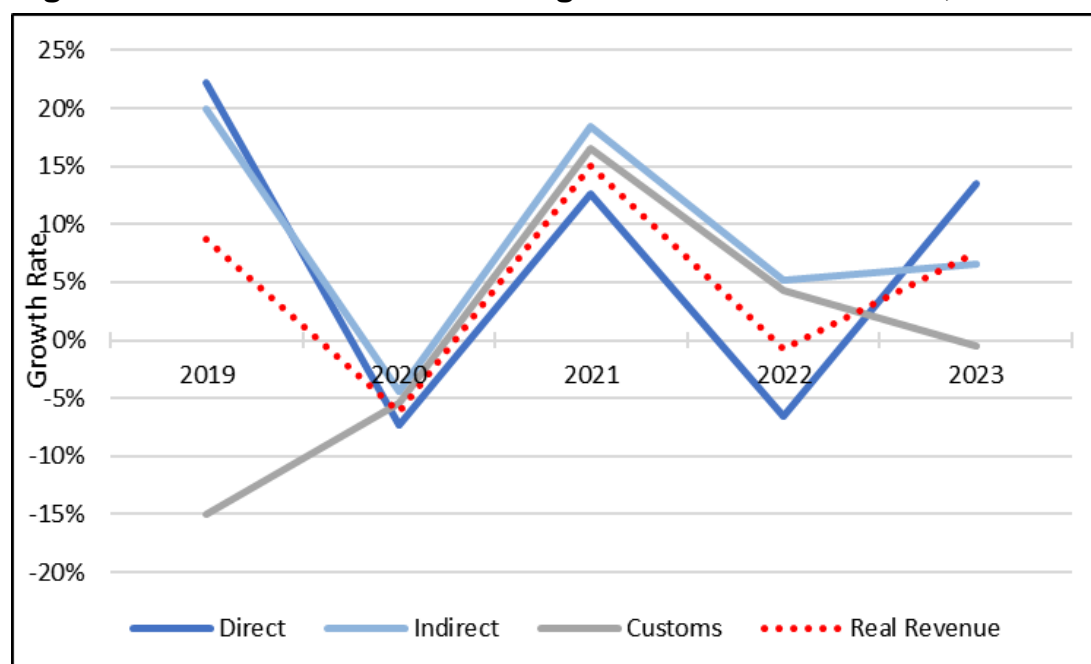
Data source: Ghana Revenue Authority

22. Figure 8 shows the real revenue growth rates for the three tax categories. Inflation was relatively stable from 2019-2021 between 7-10%, so the three tax categories display similar trends when comparing Figure 7 and Figure 8.
23. However, in 2022 and 2023, with the average annual inflation rate reaching 31.5% and 40.3% respectively, the real revenue growth rates for the tax categories were significantly lower than the nominal revenue growth rates.

<sup>9</sup> Further details on the discount policy can be found in Box 2 in Section Four.



**Figure 8: Growth Rate of tax categories and real revenue, 2019-2023**

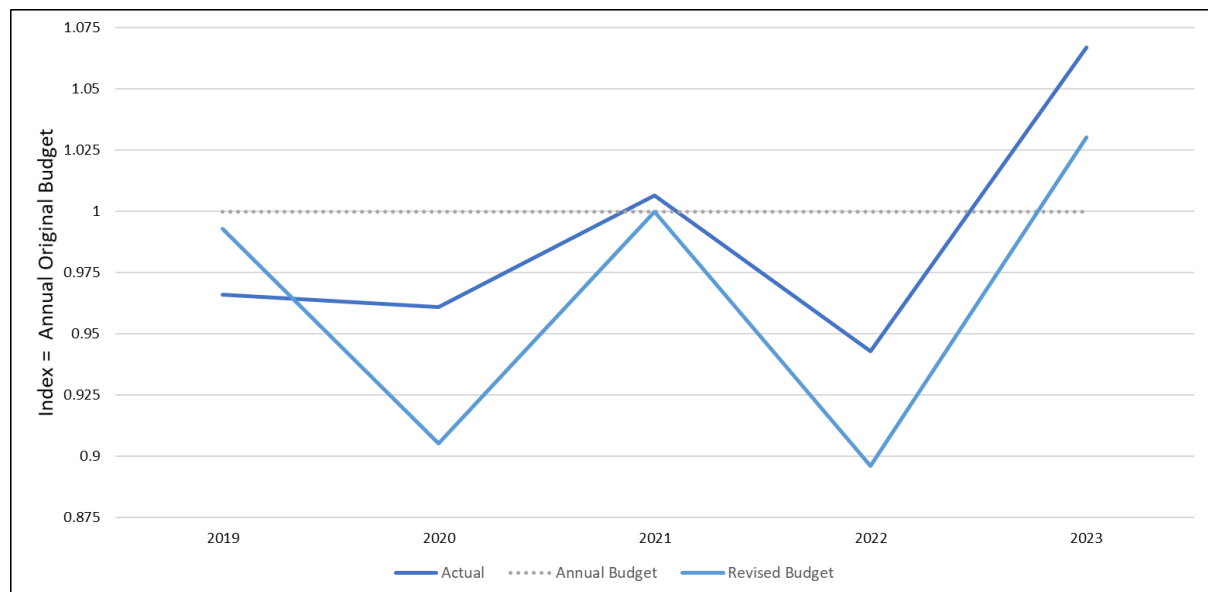


Data source: Ghana Revenue Authority, Ghana Statistical Service

24. There was a significant increase in the direct tax revenue growth rate from -6.6% in 2022 to 13.5% in 2023. The indirect tax revenue growth rate saw a marginal increase of 1.4 percentage points from 5.2% in 2022 to 6.6% in 2023. The customs revenue growth rate fell from 4.3% in 2022 to -0.5% in 2023.
25. Figure 9 compares the actual tax collections for each year against the two targets: the annual target and the revised target. The annual target is used as the index for each year. Across the previous four years (2019-2022), the revised targets fell below the annual targets (except in 2021 which remained relatively unchanged), with 2020 and 2022 experiencing the biggest change at 9.5% and 10.4% respectively. However, in 2023 this trend was reversed with the revised target above the annual target by 3.0%.
26. Actual tax revenue collections fell below the annual targets over the past five years except in 2021 and 2023. Actual tax revenue collections were below the revised targets in 2019 and above the revised targets from 2020 to 2023.



**Figure 9: Actual tax revenue, annual target and revised target, 2019-2023**



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 (PIT)

27. 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.
28. **Error! Reference source not found.** summarises the PIT schedule for the 2023 year of assessment.

**Table 2: PIT Schedule – 2023**

Bracket No.	Annual Taxable Income (GH¢)	Applicable Tax Rate
1	0 – 4,824	Nil
2	4,825 – 6,144	5%
3	6,145 – 7,704	10%
4	7,705 – 43,704	17.5%
5	43,705 – 240,444	25%
6	240,445 – 600,000	30%
7	Exceeding 600,000	35%

Source: First Schedule, Income Tax Act, 2015 (Act 896), as amended by the Income Tax (Amendment) Act 2023 (Act 1094)

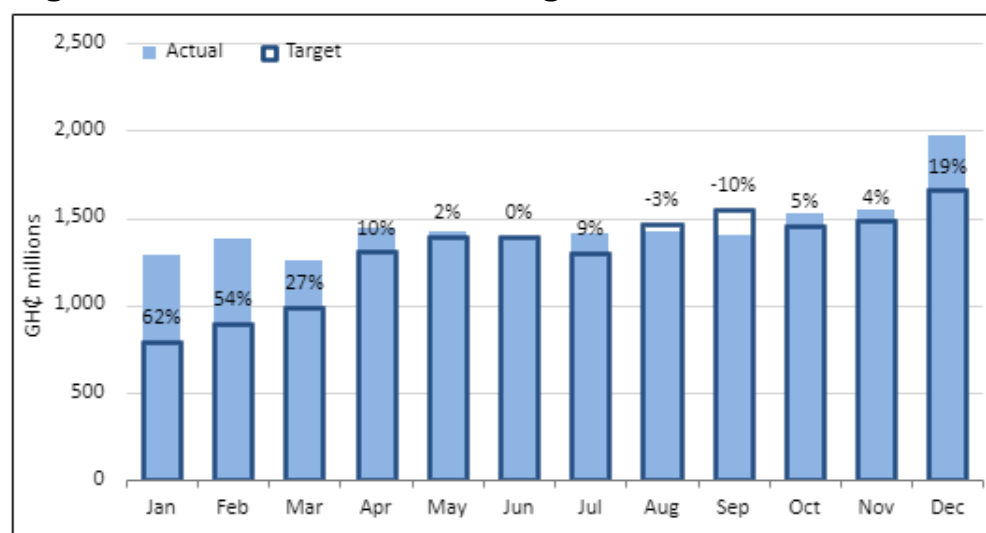
### A. Employment Income – Pay-As-You-Earn (PAYE)

29. 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 2023, about 95% of income tax from employment 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).
30. Actual PAYE collections amounted to GH¢17.45 billion in 2023, up from GH¢12.07 billion in 2022. This represents nominal growth of 44.7% and, in real terms, a growth of 3.9%. Actual collections were 11.3% above the 2023 annual target of GH¢15.68 billion and 2.1% below the 2023 revised Budget target of GH¢17.83 billion.



31. The overperformance of the first quarter – see Figure 10 below – was attributed to the payment of staff bonuses and 13<sup>th</sup> month salary, as well as a high compliance rate.

**Figure 10: Actual and annual target PAYE collections, 2023**



Data source: Ghana Revenue Authority

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

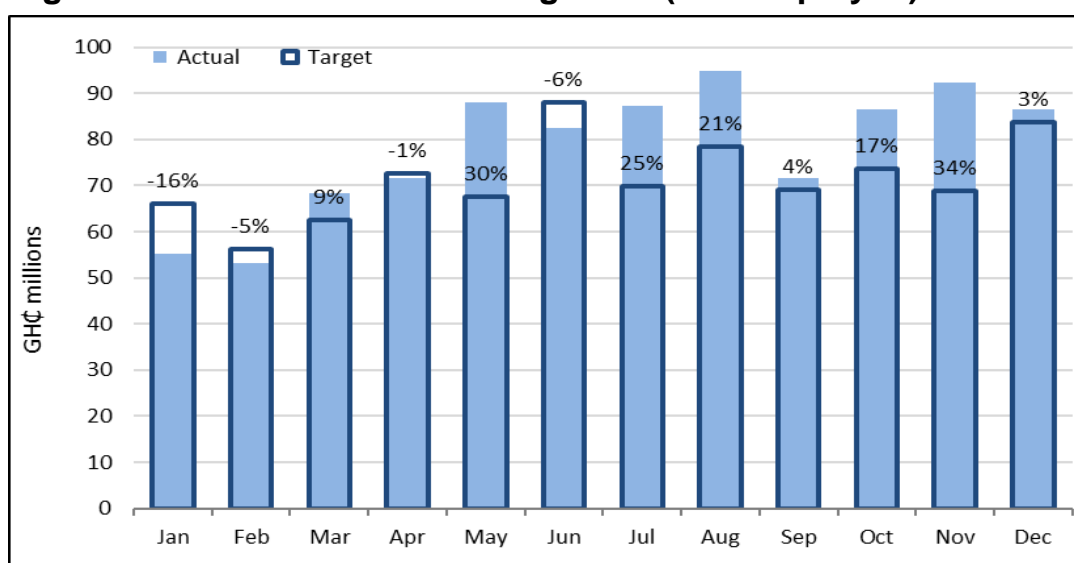
## B. Self-Employed Income

32. 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.
33. 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.
34. Owners of commercial vehicles, which fall under a category as outlined in Appendix 2: Vehicle income tax rates by class of vehicle, 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: Vehicle income tax rates by class of vehicle.
35. 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, is paid as tax due to the Commissioner-General.
36. 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.



37. 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: Tax stamp rates by category of taxpayer.
38. Upon payment of the tax, the individual is issued a tax stamp, which must be displayed in a conspicuous place at their business premises. At the end of the year, the tax paid under the Tax Stamp is credited against a person's annual income tax liability, and the individual must remit any remaining tax.
39. In addition to income from self-employment, Tax Stamp and VIT payments, Personal Income Tax (self-employed) figures include various withholding taxes and a 1% advance income tax liability 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 at the ports. The amount paid is credited to the taxpayer's final income tax liability at the end of the year.
40. 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.
41. Collections in 2023 were 9.5% above the 2023 annual target of GH¢856.09 million and 2.7% above the 2023 revised target of GH¢912.98 million. This performance was attributed to an increase in revenue from the 1% withholding tax at the ports as well as intensified field work in the collection of tax stamps from micro businesses especially artisans and VIT which resumed full scale payments during the year after its suspension as a result of the COVID – 19 pandemic.
42. PIT (self-employed) collections amounted to GH¢937.23 million in 2023, up from GH¢659.17 million in 2022. This represents a nominal growth of 42.2% and an increase in real terms of 2.2%.

**Figure 11: Actual and annual target PIT (self-employed) collections, 2023**



Data source: Ghana Revenue Authority



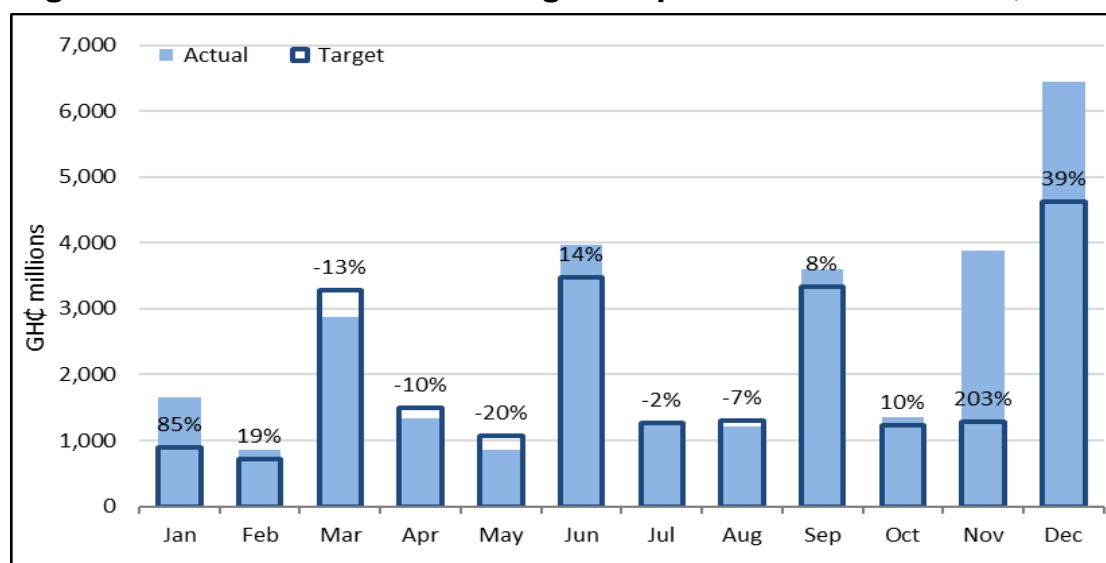


Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target

### ii. Corporate Tax

43. Income from mining and petroleum operations is subject to an income tax at a rate of 35%, whereas the statutory rate for most incorporated corporations in Ghana is 25%. 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.
44. Corporate tax revenue comprises collections from direct payments, as well as various corporate withholding taxes. Corporate tax collections amounted to GH¢29.26 billion in 2023, up from GH¢17.65 billion in 2022. This represents a nominal increase of 65.8% and a real growth of 20.1%. Collections in 2023 were 22.2% above the 2023 annual target of GH¢23.95 billion and 28.7% above the 2023 revised target of GH¢22.74 billion.
45. The tax type contributed 25.9% of total tax revenue in 2023 and, on average, 25.5% of total tax revenue over the last five years. 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 2023, 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 spillover 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.
46. 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.
47. The overperformance of CIT was partly as a result of relatively high gold prices in 2023 (see Figure 13) which buoyed mining companies' profits. The positive performance in the final quarter was attributed to these gold prices as well as to payments for audit assessment.
48. Additionally, CIT collections were facilitated by banks' CIT payments exceeding expectations, as banks' performance following the DDEP was stronger than anticipated.

**Figure 12: Actual and annual target corporate tax collections, 2023**



Data source: Ghana Revenue Authority

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

### iii. Mineral Royalties

49. 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.
50. 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 2023, the average world market price for gold was \$1,943 per ounce, a large increase on 2022's price, when gold traded at \$1,802 per ounce on average (see Figure 13).

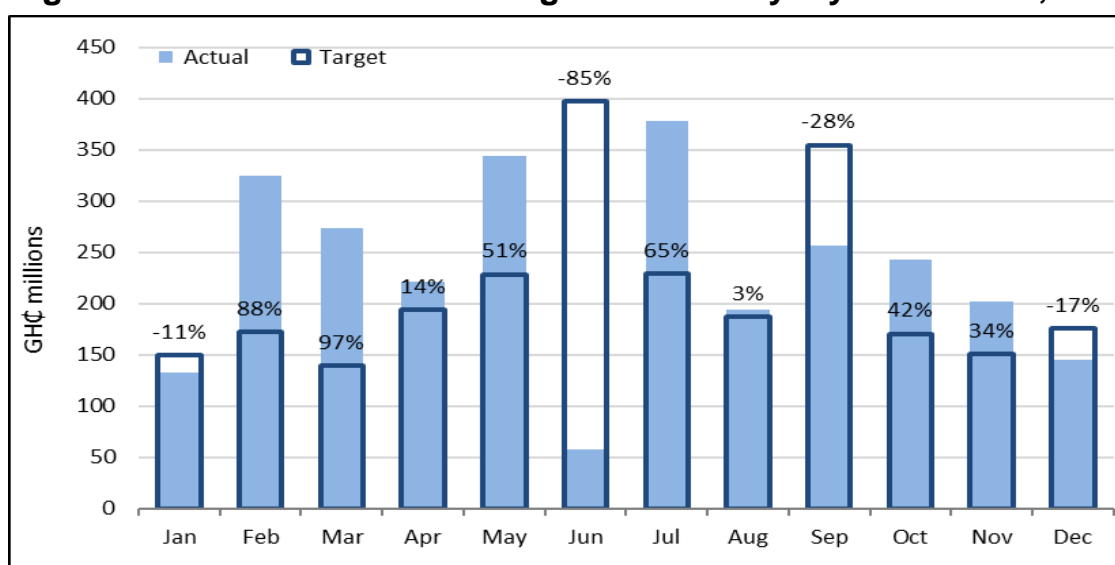


**Figure 13: Gold price, January 2022 – December 2023**

Data source: World Gold Council

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

51. Mineral royalty collections amounted to GH¢2.77 billion in 2023, up from GH¢1.80 billion in 2022. This represents an increase in nominal growth of 54.3% and a real growth of 11.9%. Collections in 2023 were 8.8% above the 2023 annual target of GH¢2.55 billion and 8.1% above the 2023 revised target of GH¢2.56 billion.
52. Figure 14 plots actual and target mineral royalty collections for each month in 2023. Monthly collections of mineral royalties were very volatile compared to their targets, with large deviations (more than 50%) from the revenue targets in five months in the year. The higher gold price (shown in Figure 13) resulted in the strong performance for the year.

**Figure 14: Actual and annual target mineral royalty collections, 2023**

Data source: Ghana Revenue Authority

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



#### iv. Airport Tax, GSL, FSRL and Other Direct Taxes

##### Airport Tax

53. Passengers flying from an airport in Ghana are required to pay Airport Tax.<sup>10</sup> Airport Tax is imposed on both domestic and international travellers, and the rate varies depending on the place of destination and the passenger class (Table 3: Airport tax rates, 2023). Aircraft owners are responsible for ensuring that the tax is paid to the Ghana Airport Company Limited (GACL).
54. Airport tax collections amounted to GH¢1.20 billion in 2023, up from GH¢789.58 million in 2022. This represents a nominal and real growth of 51.4% and 11.3% respectively. Collections in 2023 were 36.2% above the 2023 annual target of GH¢877.79 million and 1.1% below the 2023 revised target of GH¢1.21 billion.
55. This performance was partly attributed to the gains from the appreciation of the US dollar against the local currency and an 18.8% growth in the number of international passengers.<sup>11</sup>

**Table 3: Airport tax rates, 2023**

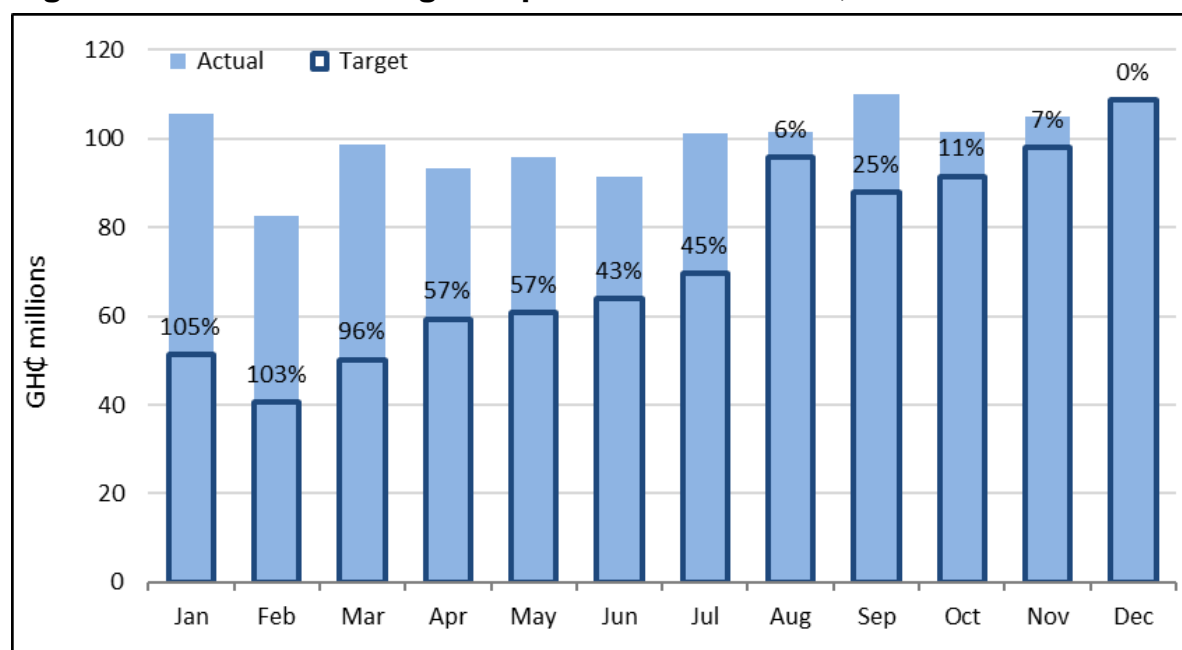
		Airport Tax
<b>Domestic travel (within Ghana)</b>		GH¢5
<b>Regional travel (within West Africa)</b>		\$60
<b>International travel (outside West Africa)</b>	Economy class	\$100
	Business class	\$150
	First class	\$200

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

<sup>10</sup> 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.

<sup>11</sup> Ghana Civil Aviation Authority



**Figure 15: Actual and target airport tax collections, 2023**

Data source: Ghana Revenue Authority

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

### Growth & Sustainability Levy (GSL)

56. The GSL is a charge on the pre-tax profit (accounting profit) or gross production 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 GSL.
57. The GSL was introduced on May 1<sup>st</sup>, 2023 as a replacement for the National Fiscal Stabilization Levy (NFSL) with expanded coverage to all entities.

**Table 4: Sectors liable for Growth & Sustainability Levy**

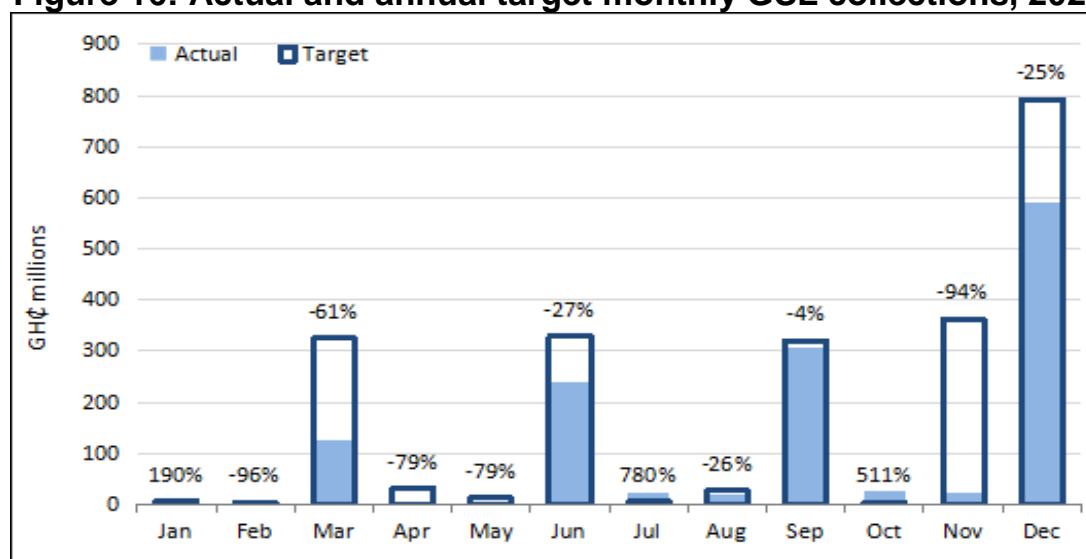
Growth & Sustainability Levy – applicable sectors	
Banks (not including rural and community banks)	Inspection and valuation companies
Non-bank financial institutions	Companies providing mining support services
Insurance	Shipping lines, maritime and airport terminals
Telecommunications	Breweries
Electronic Money Issuers	Bulk Oil Distributors
Oil Marketing Companies	Communication Tower Companies

Companies providing Upstream Petroleum Services	Specialised Deposit Taking Institutions
Companies and Institutions registered by Securities and Exchange Commission	Mining companies and upstream oil and gas companies

Source: Growth & Sustainability Act, 2022 (Act 1095)

58. GSL collection amounted to GH¢1.38 billion in 2023, up from GH¢693.48 million in 2022 collected from the narrower NFSL. This represents a nominal growth of 98.4% and 44.0% after accounting for inflation.
59. Collections in 2023 were 37.9% below the 2023 annual target of GH¢2.22 billion and 23.9% above the 2023 revised target of GH¢1.11 billion.
60. Figure 16: Actual and annual target monthly GSL collections, 2023 plots actual and target monthly GSL collections in 2023, and the percentage difference between the two figures. GSL is payable at the end of each quarter, with collections in 'off-peak' months comprising early/late payments and audit assessment payments.
61. The underperformance can be attributed to the delayed implementation of the GSL.

**Figure 16: Actual and annual target monthly GSL collections, 2023**



**Data source: Ghana Revenue Authority**

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

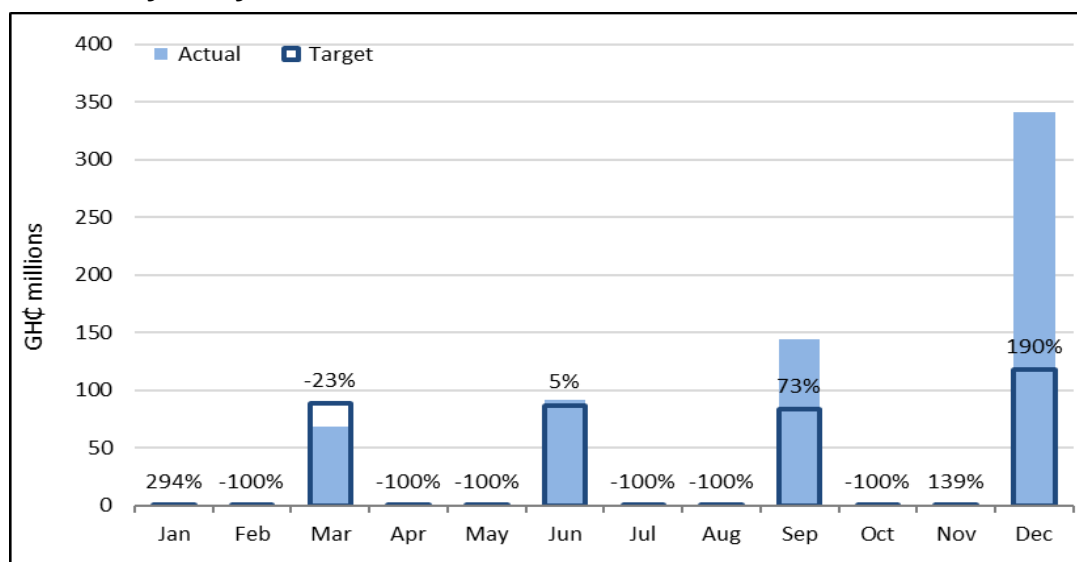
### Financial Sector Recovery Levy (FSRL)

62. Figure 17: Actual and annual target collections of Financial Sector Recovery Levy, 2023. Figure 17 shows the Financial Sector Recovery Levy collections, which totalled GH¢645.38 million in 2023, representing 71.1% above the annual target of GH¢377.23 million and 183.0% above the revised target of GH¢228.06 million. This represents a nominal growth of 76.4% and a real growth of 24.4%. The FSRL



relates to the performance of the financial sector and is payable on a quarterly basis. Collections outperformed due to the better than anticipated performance of the financial sector after the DDEP.

**Figure 17: Actual and annual target collections of Financial Sector Recovery Levy, 2023**



Data source: Ghana Revenue Authority

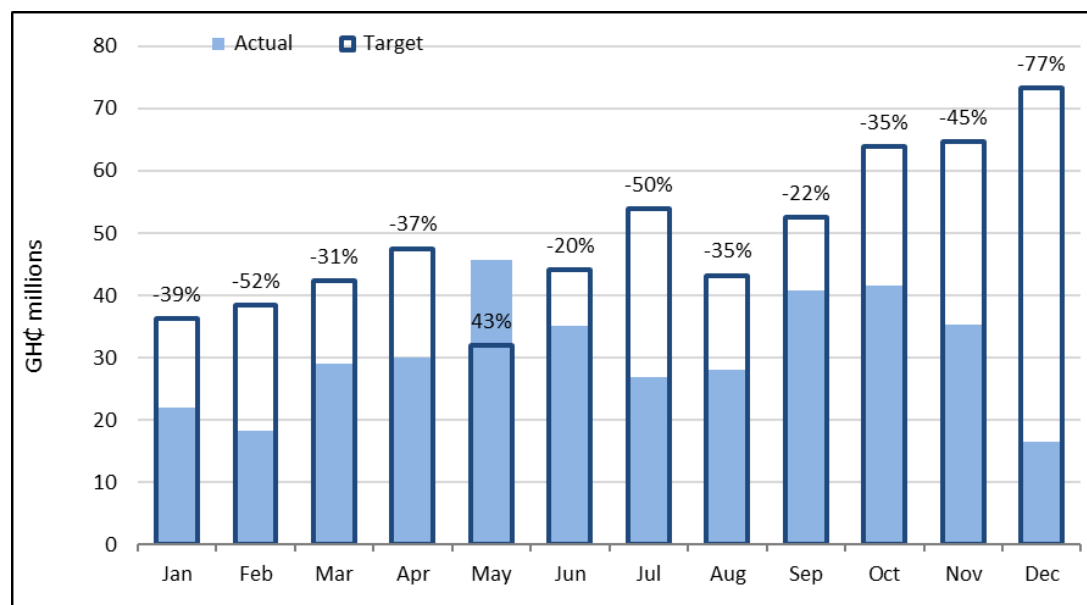
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

### Other Direct Taxes

63. In 2023, other direct taxes – notable amongst them are the taxes on Endorsement Fees, Management and Technical Service Fees, Dividends, Rent and Stamp Duty – raised GH¢369.53 million in revenue, up from GH¢317.30 million in 2022. This represents a nominal increase of 16.5% or a decrease of 16.4% after accounting for inflation. Collections in 2023 were 37.6% below the 2023 annual target of GH¢591.85 million and 10.0% below the 2023 revised target of GH¢410.45 million.



**Figure 18: Actual and annual target collections of Other Direct Taxes, 2023**



Data source: Ghana Revenue Authority

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

## v. Value Added Tax (VAT)

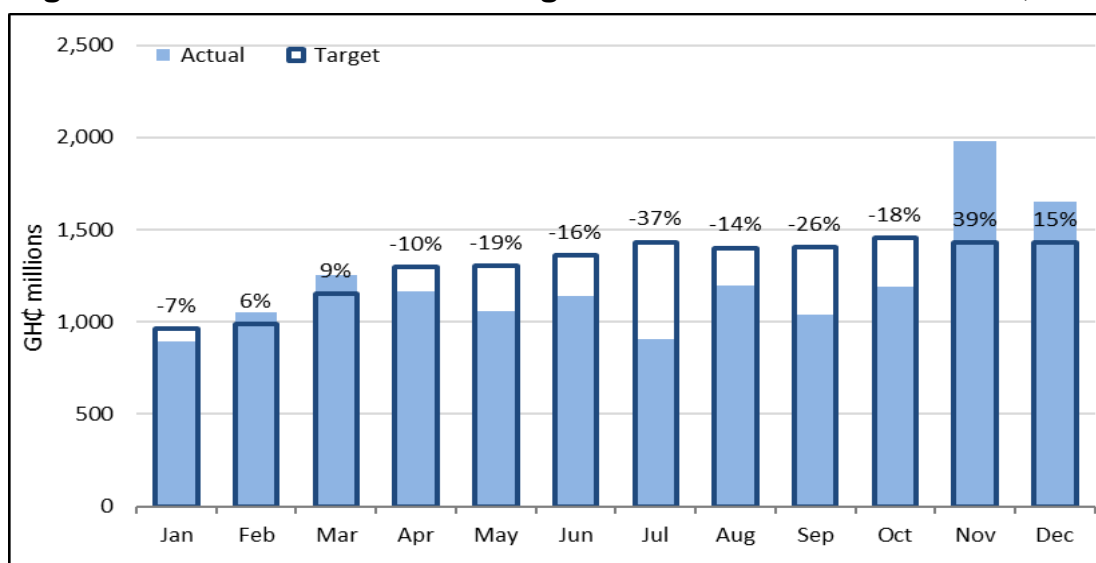
64. In total, VAT accounted for 22.1% of total tax revenue in 2023 compared to 20.9% in 2022 – the second largest contributor, after corporate tax. VAT payable on domestic supplies is collected and administered by the Domestic Tax Revenue Division (DTRD), while VAT on imports falls within the purview of the Customs Division of the GRA. Collection figures are typically reported separately, and the drivers of performance often differ, so the two revenue sources are discussed separately below.

### Domestic VAT

65. Total VAT revenue from domestic goods and services amounted to GH¢14.52 billion, up from GH¢8.96 billion in 2022. This represents a nominal and real growth of 61.9% and 16.6% respectively. Collections in 2023 were 7.0% below the 2023 annual target of GH¢15.61 billion and 9.8% below the 2023 revised target of GH¢16.10 billion. Figure 19 below plots actual and annual target monthly collections in 2023, and the percentage difference between the two figures.
66. The underperformance was attributed to technical implementation challenges with the E-invoicing system and the exempting of gaming and betting businesses under Value Added Tax (Amendment) No. 2 Act, 2022 (Act 1087).





**Figure 19: Actual and annual target domestic VAT collections, 2023**

Data source: Ghana Revenue Authority

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

### Import VAT

67. Import VAT revenue totalled GH¢10.46 billion in 2023, up from GH¢6.82 billion in 2022. This represents a nominal and real growth of 53.3% and 10.4% respectively. Collections in 2023 were 29.1% above the 2023 annual target of GH¢8.10 billion and 3.7% above the 2023 revised target of GH¢10.08 billion.
68. Figure 20 shows that monthly collections fell below the target in January. This was due to import payments being brought forward to the end of 2022 before the removal of the discount policy (see Box 2). Furthermore, the implementation of the change in VAT rate from 12.5 – 15% took effect in January 2023. The strong performance seen in the rest of the year was attributed to the lower percentage of non-taxable CIF than in 2022 and the resulting higher effective duty rate.

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

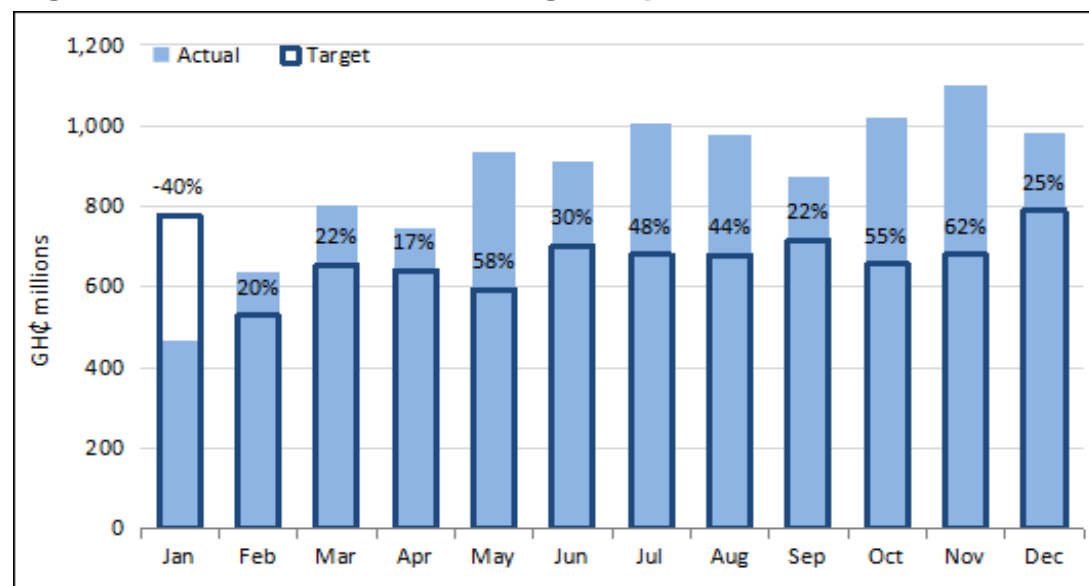
As part of the fiscal measures underpinning the 2022 Budget, Government announced its intention to review the temporary discount policy, which was introduced in April 2019, and provided a 50% discount on the Free on Board (FOB) value of general goods and 30% on the home delivery value for vehicles.

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 consultations between relevant stakeholders and Government, it was agreed that the reversal will be phased-out, with a complete removal effective 1<sup>st</sup> 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

29<sup>th</sup> December 2022, the GRA announced the complete reversal of the discount on the value of general goods and vehicles.

**Figure 20: Actual and annual target import VAT collections, 2023**



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)

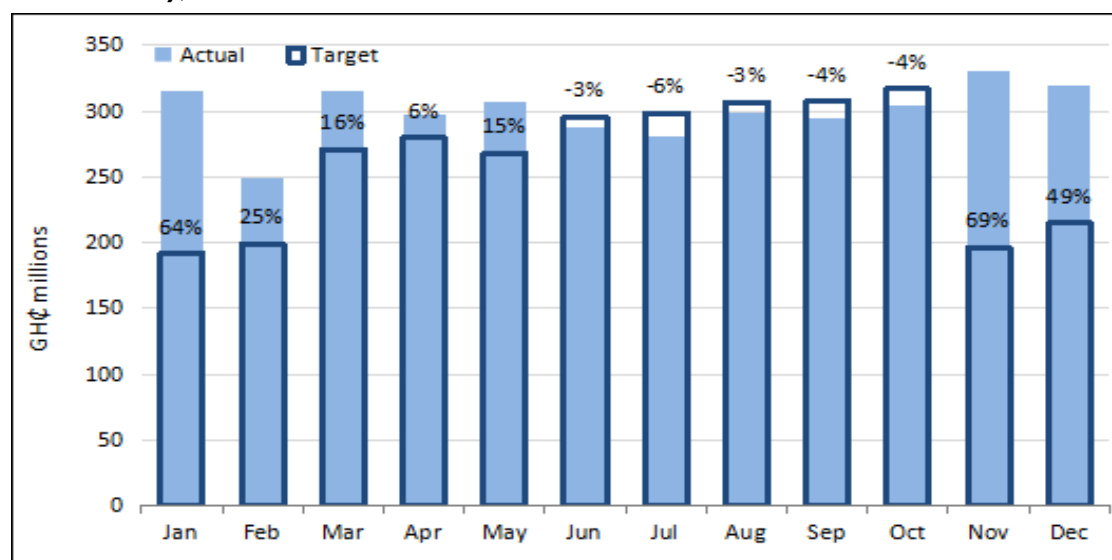
69. Similar to VAT, both levies are administered and collected by the Domestic Tax Revenue Division and the Customs Division of the GRA. Both levies have the same rates and are applied on the same base.

### Domestic NHIL and GETFund Levy

70. Collections for domestic NHIL and GETFund Levy amounted to GH¢3.60 billion each, up from GH¢2.47 billion in 2022. This represents a nominal growth of 45.6% and real growth of 5.9%. Collections in 2023 made a positive deviation of 14.4% above the annual target of GH¢3.15 billion and 17.0% above the 2023 revised target of GH¢3.08 billion.
71. Figure 21 displays actual and target monthly collections for NHIL on domestic supplies. As the annual target and collections are identical for the two levies in each month, Figure 21 serves to compare targets to actual receipts for the GETFund Levy as well.



**Figure 21: Actual and annual target domestic collections (NHIL or GETFund), 2023**



Data source: Ghana Revenue Authority

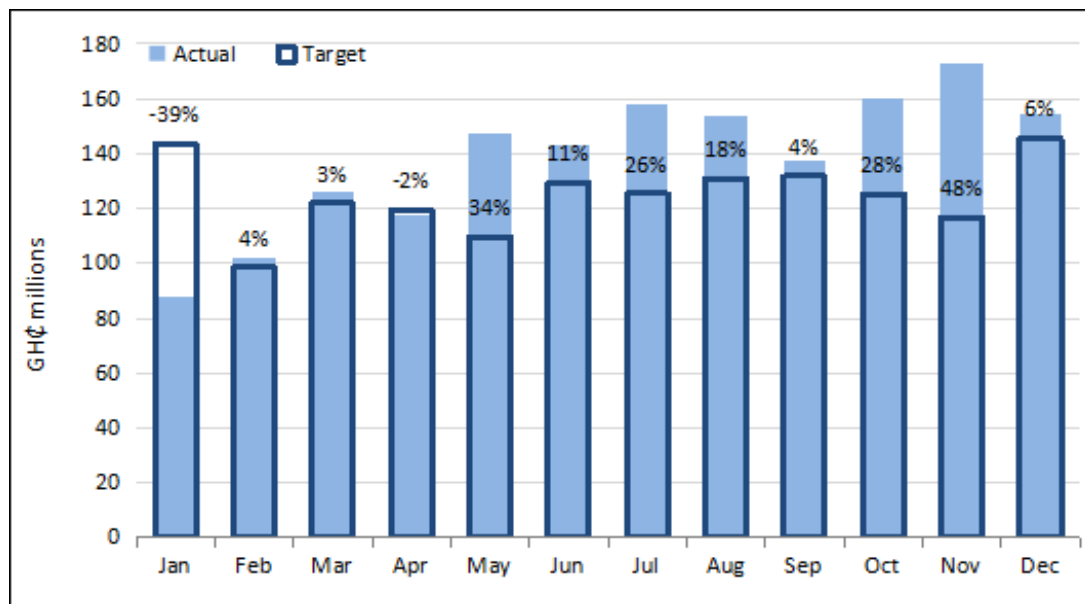
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.

### Import NHIL and GETFund Levy

72. Collections of NHIL and GETFund levy on imported goods totalled GH¢1,661.44 million and GH¢1,661.34 million, an increase from GH¢1,287.66 million and GH¢1,287.65 million respectively in 2022. For both import NHIL and GETFund levy, this represents a nominal growth of 29.03% and 29.02% respectively, and a decline of 6.9% after accounting for inflation.
73. The discrepancy between collections of import NHIL and the GETFund levy was as a result of administrative application of the exemptions. Similar to import VAT, the performance of these taxes is strongly linked to import CIF.
74. Import NHIL and GETFund levy collections were 10.9.% each above the 2023 annual target of GH¢1.50 billion and 19.0% below the 2023 revised target of GH¢2.05 billion (see Figure 22 and Figure 23).



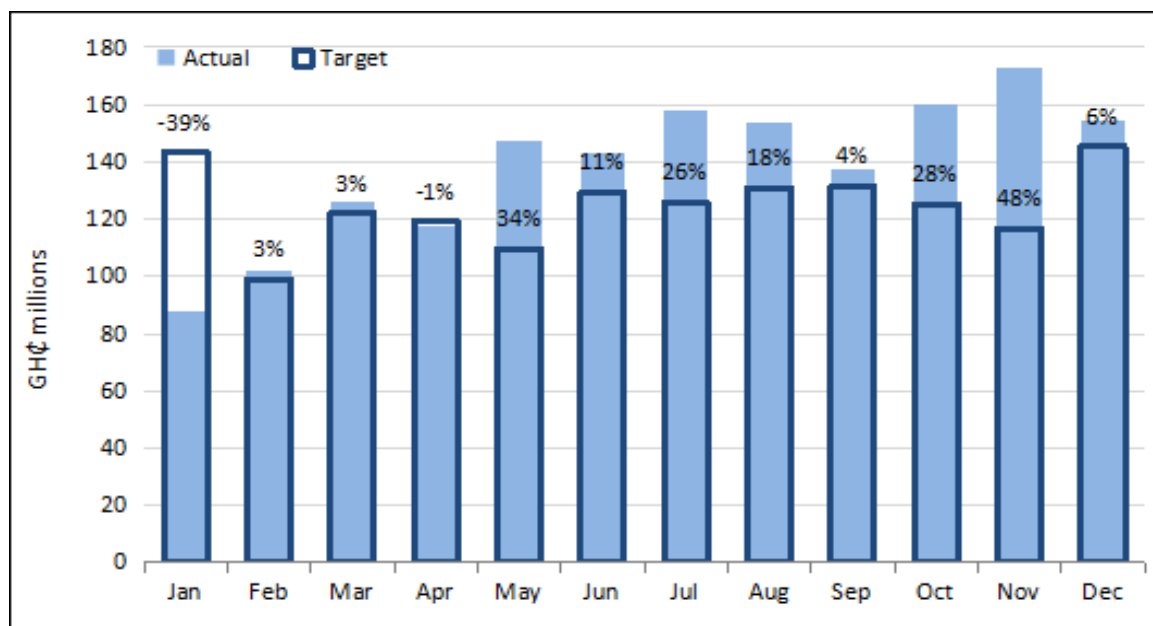
**Figure 22: Actual and annual target import NHIL collections, 2023**



Data source: Ghana Revenue Authority

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

**Figure 23: Actual and annual target import GETFund Levy collections, 2023**



Data source: Ghana Revenue Authority

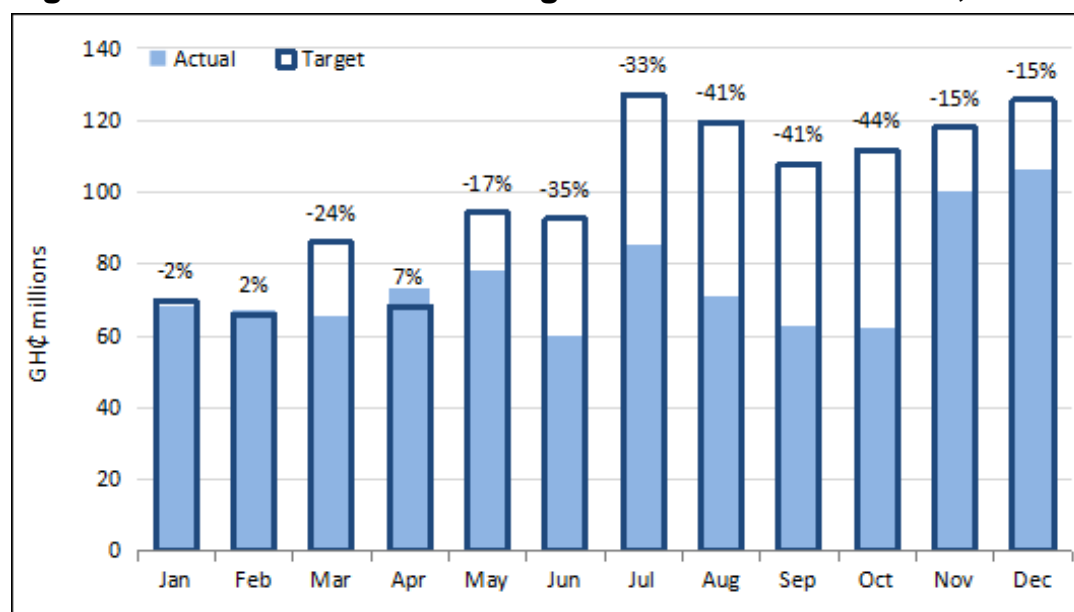
Note: Percentage figures refer to the deviation from target, expressed as a share of monthly target.



## vii. Excise Duty

75. Ghana's excise duty ranges from 0% to 50% of the ex-factory price of excisable products such as beer, spirits, packaged water, and tobacco and a specific duty per quantity of tobacco products. In the case of imports, it is levied on the CIF value (see Table 5). An environmental excise duty of 10% is levied on plastic and plastic products listed under Chapters 39 and 63 of the Common External Tariff and other Schedules.
76. Excise duty collections amounted to GH¢900.65 million in 2023, an increase from GH¢604.82 million in 2022. This represents a nominal growth of 48.9% or an increase of 4.8% after accounting for inflation. Collections in 2023 were 24.1% below the 2023 annual target of GH¢1.19 billion and 35.3% below the 2023 revised target of GH¢1.39 billion.
77. Excise duty revenue underperformed its target throughout the year except in February and April (see Figure 24). The underperformance can be attributed to expected consumption levels not being met.

**Figure 24: Actual and annual target excise tax collections, 2023**



Data source: Ghana Revenue Authority

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

**Table 5: Excise tax rates, 2023**

Item	Tax rate
Water, including mineral waters of all description	17.5%
Distilled, bottled water	17.5%



<b>Sachet water</b>		0%
<b>Fruit juices</b>		20%
<b>Malt drinks, manufactured with...</b>	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%
<b>Beer and stout, other than indigenous beer, manufactured with...</b>	less than 50% local raw materials	47.5%
	50%-70% local raw materials	32.5%
	more than 70% local raw materials	10%
<b>Wine</b>		22.5%
<b>Spirits (except Akpeteshie)</b>		25%
<b>Spirits (Akpeteshie)</b>		20%
<b>Spirits denatured to the satisfaction of the CG</b>		10%
<b>Cigarettes, cigars,</b>		50% and 28p per stick
<b>Negrohead, Snuff and other tobacco</b>		GHS 280 per kg
<b>Electronic cigarette liquids</b>		50% and 50p per ml
<b>Electronic cigarettes and other electronic smoking devices</b>		50%
<b>Plastic and plastic products under chapters 39 and 63 of the HS Code</b>		10%
<b>Textiles</b>		0%
<b>Pharmaceuticals</b>		0%

Source: Excise Duty Act, 2014 (Act 878), as amended by the Excise Duty (Amendment) Act, 2023 (Act 1093)

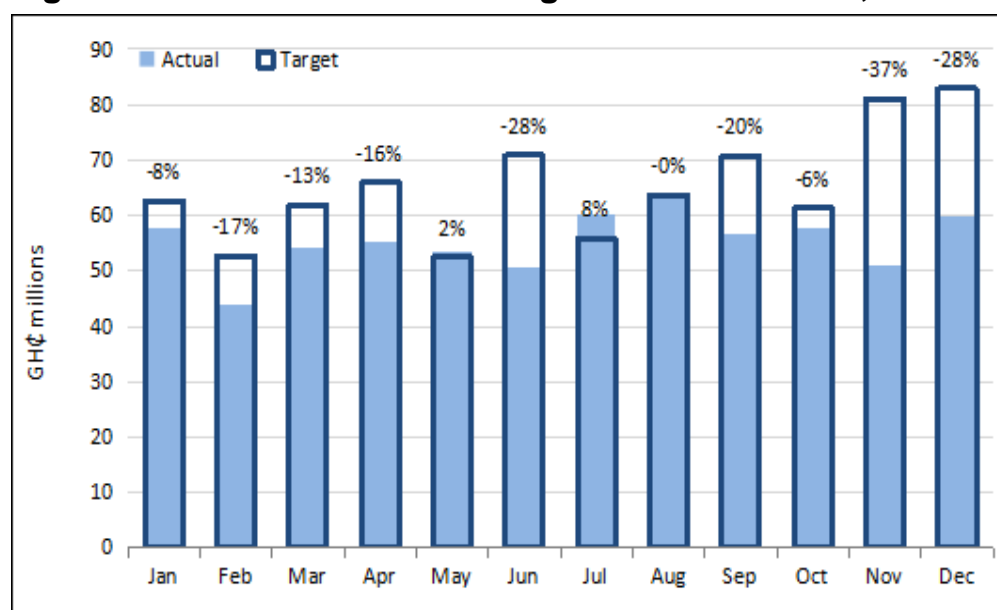
## viii. Communication Service Tax (CST)

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¢663.84 million in 2023, up from GH¢532.29 million in 2022. This represents a nominal increase of 24.7% and a decrease in real growth of 11.2%. Collections in 2023 were 15.1% below the 2023 annual target of GH¢782.29 million and 29.2% below the 2023 revised target of GH¢938.05 million.
81. Figure 25 is a plot of actual and target monthly CST collections in 2023. Collections were below the annual target in all months except May and July. This was attributed to lower-than-expected growth in demand for communication services during the period under review.

**Figure 25: Actual and annual target CST collections, 2023**



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

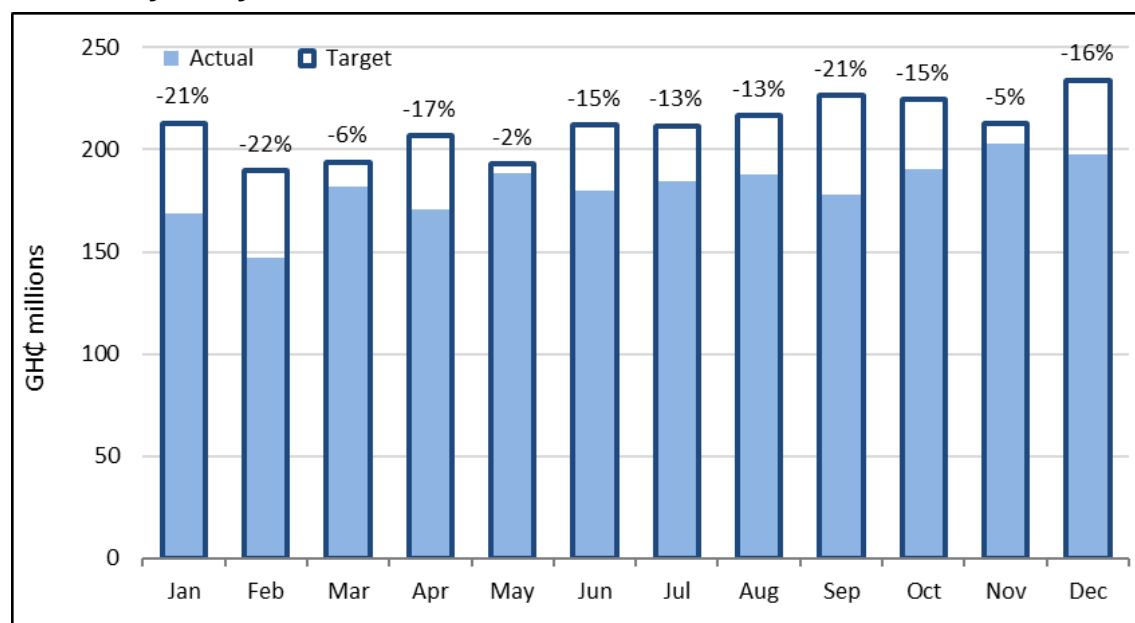
82. The COVID-19 Health Recovery Levy was introduced in May 2021 to mobilise additional domestic revenue in response to the fiscal costs from the provision of COVID-19 pandemic-related support. The COVID-19 Health Recovery Levy is administered by the GRA in three forms: The COVID-19 Health Recovery Levy 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 total 2023 collection for this Levy was GH¢2.18 billion. This amount represents 14.1% below the 2023 annual target of GH¢2.53 billion and 15.2% below the 2023 revised target of GH¢2.56 billion. The monthly performance is shown in Figure 26.

**Figure 26: Actual and annual target collections of COVID-19 Health Recovery Levy, 2023**



Data source: Ghana Revenue Authority

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

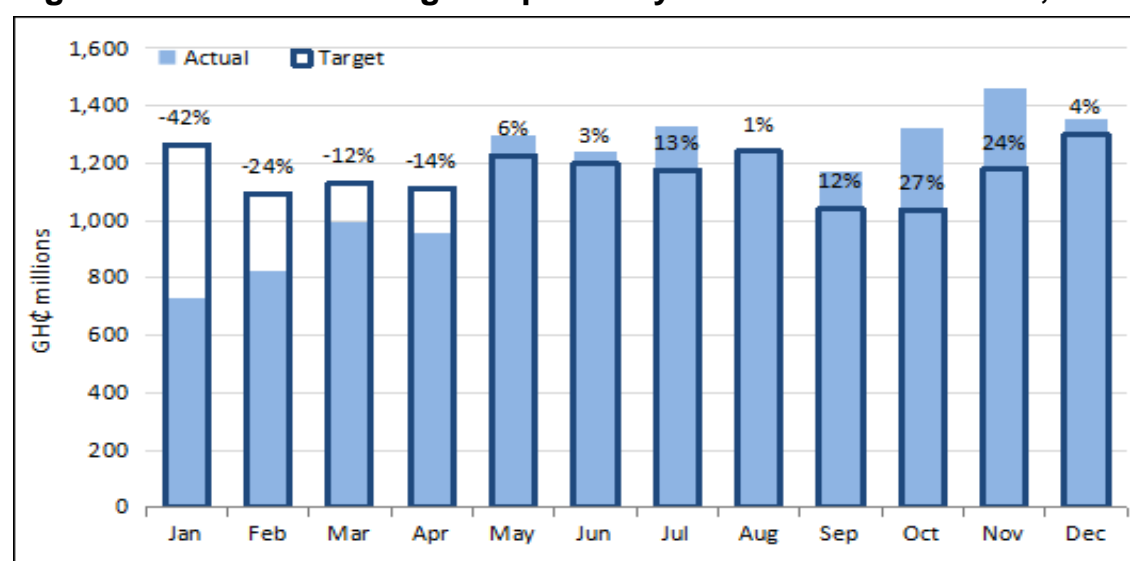
## x. Import Duty and Levies

84. Import duty and levies are charges on imports of goods 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, and other charges. Import duty and levies are charged on the Cost, Insurance and Freight (CIF) value of products.
85. Collections of import duty and levies totalled GH¢13.94 billion in 2023, up from GH¢10.14 billion in 2022. This represents a nominal growth of 37.3%, or a decline of 0.9% after accounting for inflation. Collections in 2023 were 0.5% below the 2023 annual target of GH¢14.02 billion and were 4.6% below the 2023 revised target of GH¢14.62 billion.
86. Figure 27 and Figure 28 are plots of the monthly actual and target collections for 2023 for import duty and levies as well as CIF values respectively. The similar pattern in both Figures shows how the CIF values drove the import duty and levies performance.





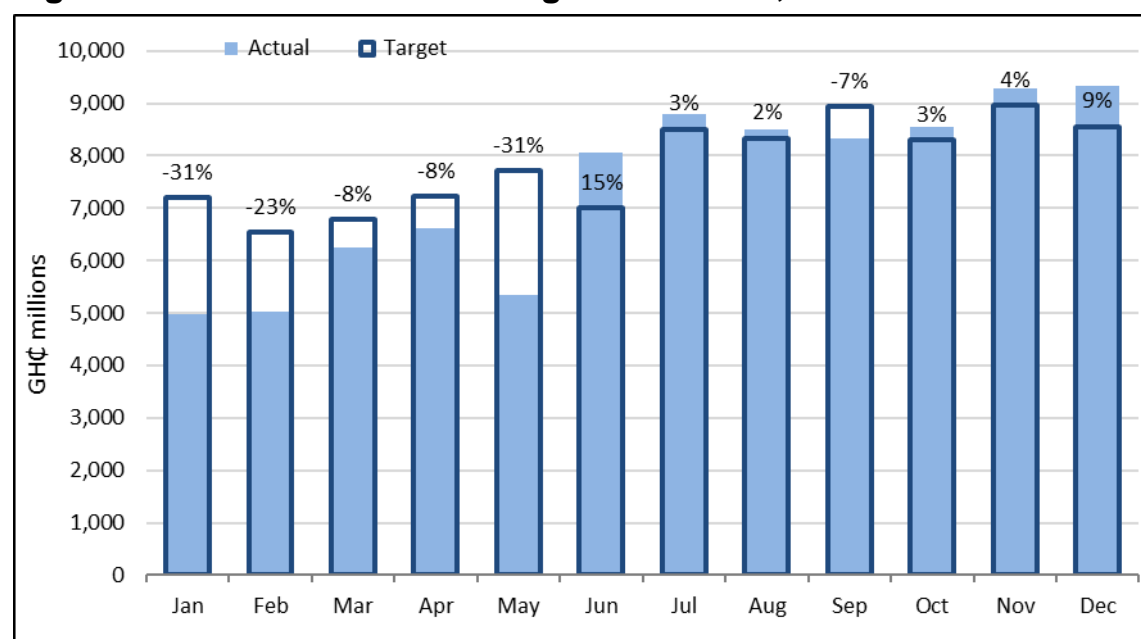
**Figure 27: Actual and target import duty and levies collections, 2023**



Data source: Ghana Revenue Authority

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

**Figure 28: Actual and annual target CIF values, 2023**



Data source: Ghana Revenue Authority

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

## x. 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.<sup>12</sup>

**Table 6: Special Petroleum Tax rates, 2023**

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 <sup>13</sup>	0.35
Kerosene	0.39		

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

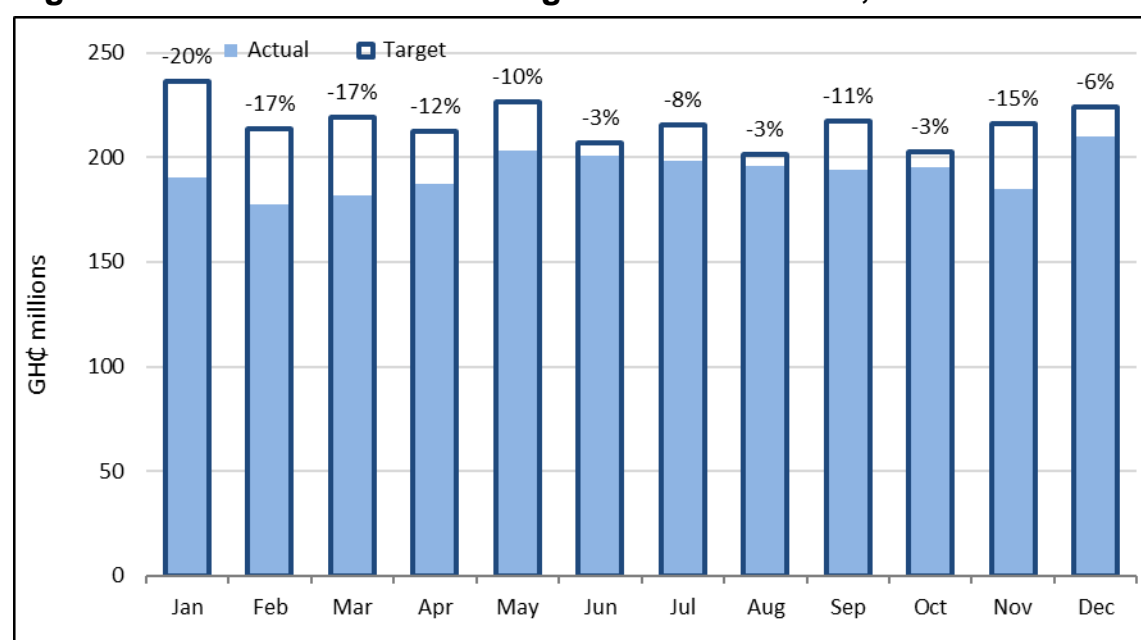
89. SPT collections in 2023 totalled GH¢2.32 billion, up from GH¢2.24 billion in 2022. This represents a nominal growth of 3.7% and a negative real growth of 26.9%. Collections in 2023 were 10.5% below the 2023 annual target of GH¢2.59 billion and 3.9% below the 2023 revised target of GH¢2.41 billion. Figure 29 shows the pattern of collections for the year.

<sup>12</sup> *Special Petroleum Tax (Amendment) Act, 2018 (Act 965)*

<sup>13</sup> *The Special Petroleum Tax Act, 2014 (Act 879) refers to "Natural petroleum gas".*



**Figure 29: Actual and annual target SPT collections, 2023**



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 ).



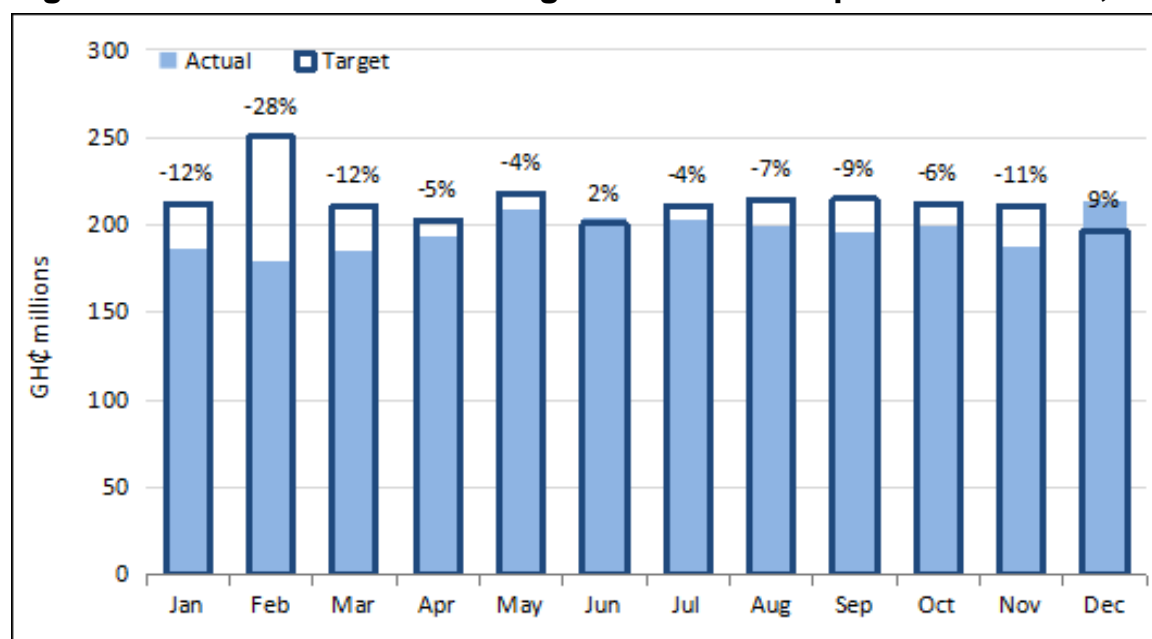
**Table 7: Petroleum taxes and levies rates, 2023**

Levy	Item	Rate	Purpose
<b>Energy Debt Recovery Levy</b>	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	
<b>Energy Fund Levy</b>	Petrol, kerosene, diesel, fuel oil	GH¢0.01 per litre	Support activities of the Energy Commission
<b>Price Stabilisation and Recovery Levy</b>	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	
<b>Road Fund Levy</b>	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 2023, collections from petroleum taxes amounted to GH¢2.36 billion, up from GH¢2.19 billion in 2022. This represents a nominal growth of 7.9% and a real negative growth of 23.9%. Collections in 2023 were 7.7% below the 2023 annual target of GH¢2.56 billion and 13.1% below 2023 revised target of GH¢2.72 billion. Figure 30 shows the profile of collections for the year.

**Figure 30: Actual and annual target collections of petroleum taxes, 2023**

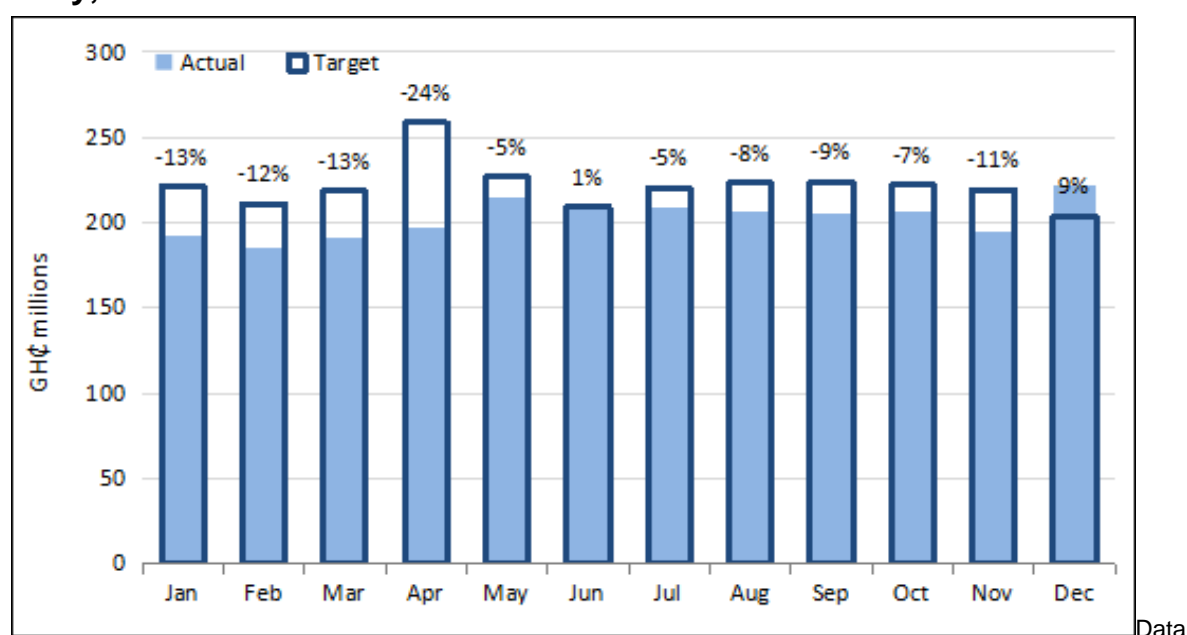
Data source: Ghana Revenue Authority

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 . EDRL collections totalled GH¢2.44 billion in 2023, up from GH¢2.27 billion in 2022. This represents a nominal growth of 7.3% and real growth of negative 24.4%. Collections in 2023 were 8.4% below the annual and revised targets of GH¢2.66 billion.<sup>14</sup>
93. Figure 31 shows the profile of EDRL collections relative to annual targets for the year.

**Figure 31: Actual and annual target collections of Energy Debt Recovery Levy, 2023**



source: Ghana Revenue Authority

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

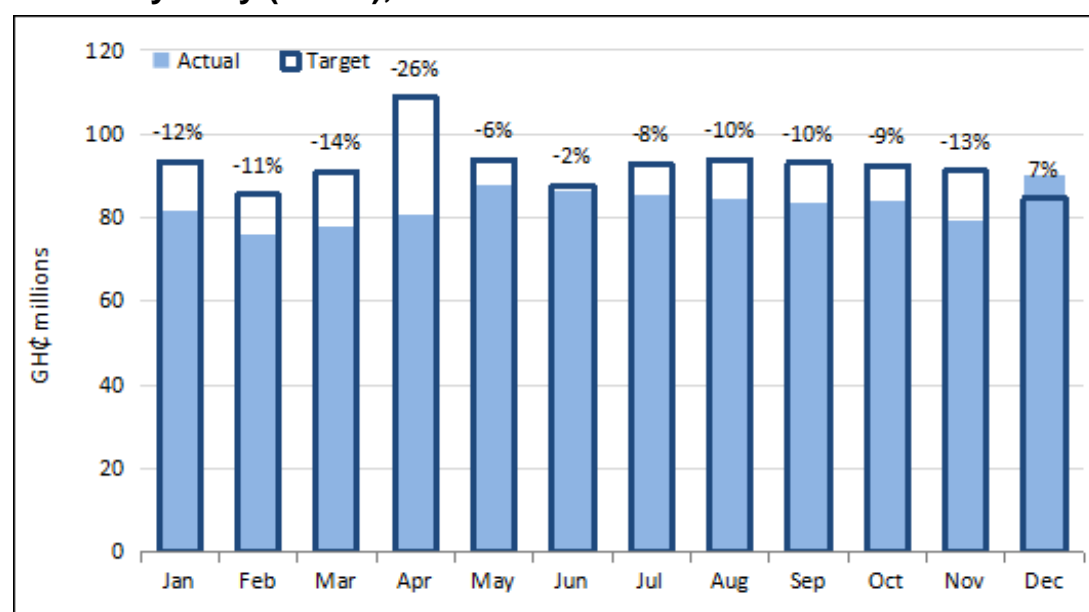
### Energy Sector Recovery Levy (ESRL)

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 2023 totalled GH¢998.23 million, representing 10.0% below the 2023 annual and revised targets of GH¢1.11 billion.<sup>15</sup> This represents a nominal growth of 4.0% and -26.6% growth after accounting for inflation. The monthly performance is shown in Figure 32.

<sup>14</sup> The revised target was unchanged.

<sup>15</sup> The revised target was unchanged.

**Figure 32: Actual and annual target collections of Energy Sector Recovery Levy (ESRL), 2023**



Data source: Ghana Revenue Authority

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

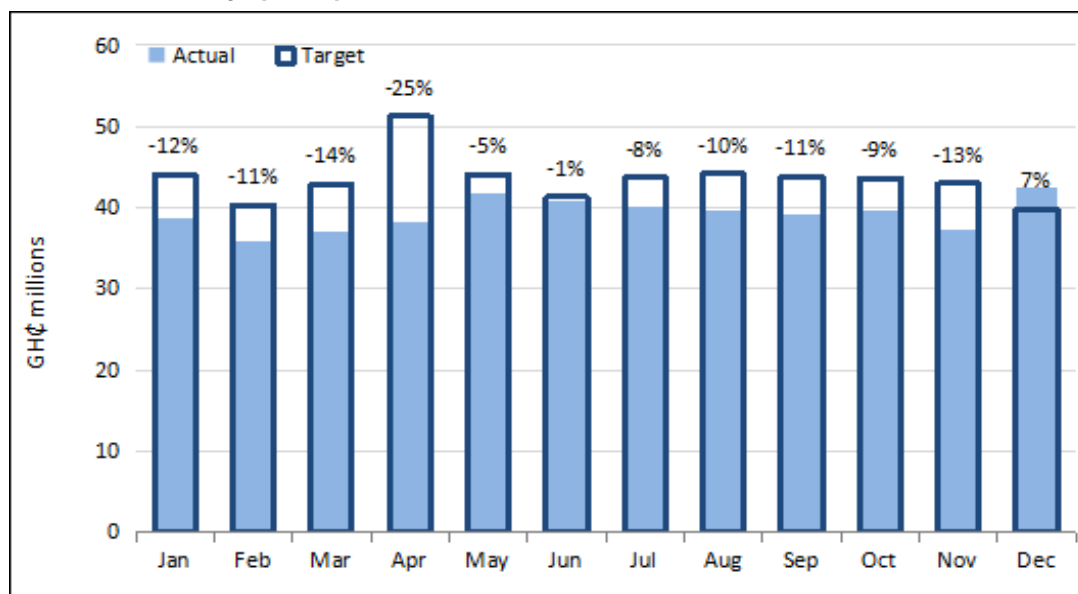
### Sanitation and Pollution Levy (SPL)

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¢470.88 million in 2023, representing 9.8% below the 2023 annual and revised targets of GH¢522.25 million.<sup>16</sup> This represents a nominal growth of 4.2% and -26.5% growth after accounting for inflation. The monthly performance is shown in Figure 33.

<sup>16</sup> The revised target was unchanged.



**Figure 33: Actual and annual target collections of Sanitation and Pollution Levy (SPL), 2023**



Data source: Ghana Revenue Authority

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



## Section Five: Medium-Term Revenue Strategy (MTRS)

96. Generally, there seems to be consistent growth in domestic revenue mobilisation as revised tax revenue targets are often achieved year-on-year. However, Ghana's tax-to-GDP ratio has remained at around 12-14% since 2015. In 2023, Ghana's tax-to-GDP ratio was 14.6%, an increase from 13.8% in 2022. Nonetheless, this is below the average of 18% for lower to middle-income countries and further below the average of 16% for most African countries.
97. To bridge this gap, the Ghana National Revenue Policy (GNRP) was established in 2023 to achieve a tax-to-GDP ratio target of 18-20 percent and a non-tax-to-GDP ratio target of 4 percent.
98. A Medium-Term Revenue Strategy (MTRS) was also developed in 2023 to operationalise the GNRP, demonstrating a commitment by Government to a medium-term approach to revenue mobilisation.
99. The MTRS also seeks to reform the country's revenue system to make it more favourable for economic growth and increase revenue mobilisation while improving efficiency and equitable distribution of the tax burden. Additionally, it provides the following benefits:
  - Greater degree of certainty for both taxpayers and the government; in the case of taxpayers, it will provide greater predictability about the future direction of revenue policy and its implications for their investment decisions. For the government, it will enable better forecasts of future revenues, helping balance revenue and spending policies on a multi-year basis;
  - Improvement in the determination and prioritisation of revenue policies; this will allow for broader stakeholder consultation during policy-making and implementation; and
  - Ensures alignment in revenue policy, administration, legal framework, and external capacity support which would be phased to achieve medium and long-term goals.
100. Table 8: Estimated tax and non-tax revenue targets for the period 2024-2027 Table 8 shows the estimated additional tax and non-tax revenue targets relative to GDP over the medium-term period.





**Table 8: Estimated tax and non-tax revenue targets for the period 2024-2027**

	Estimated Revenue Targets (% of GDP)			
	FY2024	FY2025	FY2026	FY2027
<b>Tax Revenue Targets</b>	<b>1.18</b>	<b>1.99</b>	<b>1.20</b>	<b>0.80</b>
MTRS Policy Reforms	1.08	1.49	0.90	0.61
MTRS Admin Reforms	0.10	0.50	0.30	0.19
<b>Non-Tax Revenue Targets</b>	<b>0.35</b>	<b>0.60</b>	<b>0.45</b>	<b>0.40</b>
MTRS Reforms	0.35	0.60	0.45	0.40

101. The MTRS was developed following several consultative engagements with various stakeholders. It details 113 policy and administrative reforms which have been outlined under eleven (11) thematic areas as shown below in Table 9 and Table 10. These thematic areas serve as Government's focus areas for domestic revenue mobilisation over the next four (4) years – 2024 to 2027.<sup>17</sup>

**Table 9: MTRS Policy Reforms by Thematic Area**

Thematic Area	Policy Reforms
Direct Taxes	12
Indirect Taxes	12
International Trade Taxes and Trade Facilitation	5
Domestic Productive Capacity	5
International Taxation	6
Tax Expenditure and Incentives	5
Extractive Industries	1
Environmental Fiscal Reform	6
Non-Tax Revenue	6
Revenue Administration	1
Digitalisation	1
<b>TOTAL</b>	<b>60</b>

<sup>17</sup> Ministry of Finance, 'Medium-Term Revenue Strategy (MTRS) 2024-2027', [https://mofep.gov.gh/sites/default/files/reports/revenue/Ghana%20Medium%20Term%20Revenue%20Strategy%20%28MTRS%29%202024-2027\\_v2.pdf](https://mofep.gov.gh/sites/default/files/reports/revenue/Ghana%20Medium%20Term%20Revenue%20Strategy%20%28MTRS%29%202024-2027_v2.pdf)



**Table 10: Admin Reforms by Category**

Category	Admin Reforms
Tax Policy	12
Non-Tax Revenue	12
Customs Revenue	4
Domestic Tax Revenue	10
IT & Other Support Services	15
<b>TOTAL</b>	<b>53</b>



## Section Six: New Tax Measures in 2024 Budget Statement

102. 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 including new tax measures in the 2024 Budget Statement to underpin the programme.
103. The list below summarises the key tax policy and administrative measures that were announced in the 2024 Budget:

### a. Tax Policy Measures

- i. Introduce a tax on Gross Gaming Revenue (GGR) to replace corporate income tax and VAT on betting and gaming, as well as introduce a withholding tax on winnings from betting and other games of chance
- ii. Review of Stamp Duty.
- iii. Introduction of a simplified mechanism under the modified taxation scheme for PIT for small taxpayers.
- iv. Expansion of entities subject to Communication Service Tax.
- v. Align excise duty rates such that similar products attract the same rates.
- vi. Introduction of the Emissions Tax (industry and vehicle) and expansion of the environmental excise duty on plastics to cover packaging.
- vii. Alignment of the exemption and relief provisions in the VAT Act with the Customs Tariffs.
- viii. Introduction of 5% VAT rate on rental of commercial premises
- ix. Removal of selected VAT exemptions
- x. Provision of Selected Tax Reliefs
- xi. Introduction of Commissioner-General's authorised VAT invoice for Income Tax purposes.

### b. Tax Administrative Measures

- i. Implementation of Minimum Chargeable Income (MCI) mechanism.
- ii. Implementation of the second phase of E-VAT and ongoing E-VAT compliance measures.
- iii. Upfront VAT Payments on unregistered importers who import Vatable goods
- iv. Implement the World Customs Organisation SAFE Framework of Standards.



## Section Seven: Conclusion and Recommendations

104. This report has explored collections of tax revenue between January and December 2023, comparing revenue collected with the 2023 annual and revised targets as well as previous collections. The analysis highlights several factors which accounted for the performance of the tax types in 2023.
105. Areas for further investigation are listed below:
- CST – review and identify the drivers of the underperformance of the last few years.
  - VAT – analyse and compare the current VAT exemptions to those used in similar income countries and elsewhere in SSA.
  - Excise Duty – holistically quantify the impact of the sliding scale policy vis-a-vis the objectives for its introduction.



## Appendices



**Appendix 1: Actual and annual target tax revenues, 2023**

	Actual (GH¢m)	Annual Target (GH¢m)	Deviation (GH¢m)	Deviation (%)
<b>Domestic direct</b>	<b>54,006.18</b>	<b>47,094.12</b>	<b>6,912.06</b>	<b>14.7</b>
PIT - PAYE	15,680.27	17,827.06	-2,146.79	(12.0)
PIT - Self-Employed	856.09	912.98	-56.89	(6.2)
Companies	23,947.40	22,741.19	1,206.21	5.3
Other direct	369.53	591.74	-222.21	(37.6)
Mineral royalties	2,547.10	2,564.50	-17.40	(0.7)
Airport tax	877.79	1,208.07	-330.28	(27.3)
GSL/NFSL	2,216.39	1,111.28	1,105.11	99.4
Financial Sector Recovery Levy	377.23	228.06	149.17	65.4
<b>Domestic indirect</b>	<b>28,266.27</b>	<b>30,371.27</b>	<b>-2,105.00</b>	<b>(6.9)</b>
Domestic VAT	15,611.81	16,096.69	-484.88	(3.0)
Excise	1,186.56	1,391.75	-205.19	(14.7)
Domestic NHIL	3,145.97	3,077.40	68.57	2.2
Domestic GET Fund Levy	3,145.97	3,077.40	68.57	2.2
CST	782.29	938.05	-155.76	(16.6)
Covid-19 Health Recovery Levy (Flat Rate)	96.32	97.49	-1.17	(1.2)
Covid-19 Health Recovery Levy (Standard Rate)	1,575.95	1,595.08	-19.13	(1.2)
Electronic Transfer Levy	2,235.11	1,111.28	1,123.83	101.1
Special Petroleum Tax	2,591.28	2,413.83	177.45	7.4
<b>Customs</b>	<b>30,793.98</b>	<b>28,533.34</b>	<b>2,260.64</b>	<b>7.9</b>
Import duties and levies	14,015.79	14,617.67	-601.88	(4.1)
Import VAT	8,103.20	10,083.34	-1,980.14	(19.6)
Import NHIL	1,498.39	2,051.60	-553.21	(27.0)
Import GET Fund Levy	1,498.39	2,051.60	-553.21	(27.0)
Import Covid-19 Health Recovery Levy	861.47	871.93	-10.46	(1.2)
Petroleum taxes	2,556.09	2,715.18	-159.09	(5.9)
<b>Total tax revenue</b>	<b>113,066.43</b>	<b>105,998.73</b>	<b>7,067.70</b>	<b>6.7</b>
Energy Debt Recovery Levy	2,435.24	2,658.84	-223.60	(8.4)
Energy Sector Recovery Levy	998.23	1,108.71	-110.48	(10.0)
Sanitation and Pollution Levy	470.88	522.25	-51.37	(9.8)
<b>Grand total</b>	<b>116,970.78</b>	<b>110,288.52</b>	<b>6,682.26</b>	<b>6.1</b>

Note: Target figures are as stated in Appendix 3B of the 2023 Budget Statement.



**Appendix 2: Vehicle income tax rates by class of vehicle**

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

### 5A. 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)

### 5B. 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)

### 5C. 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.

