

INCOME TAX (AMENDMENT) ACT, 2015 (ACT 902)

ARRANGEMENT OF SECTIONS

Section

1. First Schedule to Act 896 amended
2. Second Schedule to Act 896 amended



REPUBLIC OF GHANA

**THE NINE HUNDRED AND SECOND
ACT
OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED
INCOME TAX (AMENDMENT) ACT, 2015**

AN ACT to amend the Income Tax Act, 2015 (Act 896) to provide for a new rate of tax for the chargeable income of a resident individual for a year of assessment, to introduce the rate of withholding tax for a service provided under section 116 (1) (a) (vii), to increase the monetary threshold for an individual to whom a presumptive tax applies and for related matters.

DATE OF ASSENT: 30th December, 2015.

PASSED by Parliament and assented to by the President:

Section 1—First Schedule to Act 896 amended

The Income Tax Act, 2015 (Act 896), referred to in this Act as the principal enactment, is amended in the First Schedule

(a) by the substitution for subparagraph (1) of paragraph 1 of

“(1) Subject to subparagraph (3) and the Second Schedule, the chargeable income of a resident individual for a year of assessment is taxed at the following rates:

NO.	CHARGEABLE INCOME	RATE OF TAX
1.	First GH¢2, 592	Nil
2.	Next GH¢1, 296	5 percent
3.	Next GH¢1, 812	10 percent
4.	Next GH¢33, 180	17.5 percent

5. Exceeding GH¢38, 880 25 percent.”

(b) by the substitution for subparagraph (6) of paragraph 3 of

"(6) The chargeable income of a company for a year of assessment from a manufacturing business not included in subparagraphs (1) and (3), other than a manufacturing business located in Accra or Tema, is taxed at the rates indicated below:

Location	Rate of Income Tax
----------	--------------------

(a) Manufacturing business located in the regional capitals of the country	
--	--

(b) Manufacturing business located elsewhere in the country	75 percent of the rate of income tax applicable to other income under sub-paragraph (1)
---	---

50 percent of the rate of income tax applicable to other income under sub-paragraph (1)”.

(c) by the insertion after paragraph 8 (1) (c) (ii) of

“(iiA) in the case of service fees referred to in section 116 (1) (a) (vii), fifteen percent;”.

Section 2—Second Schedule to Act 896 amended

The principal enactment is amended in the Second Schedule

(a) by the substitution for paragraph 5 of

5. “Presumptive tax based on turnover

Where presumptive taxation applies to an individual as referred to in paragraph 2 (1) (c) (ii), the tax payable by that individual for a year of assessment under section 1 (1) (a) is three percent of the turnover of the business, where the turnover is more than twenty thousand cedis but does not exceed two hundred thousand cedis.”; and

(b) by the substitution for paragraph 6 (1) (b) of

“(b) the turnover of that individual does not exceed two hundred thousand cedis, calculated using the modified cash basis.”.

Date of Gazette Notification: 30th December, 2015.