

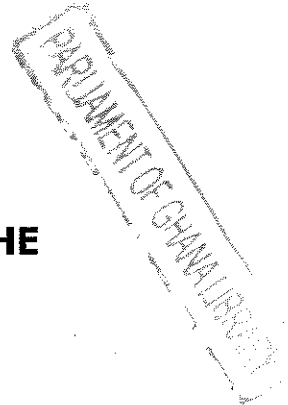
IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF THE FOURTH REPUBLIC

**REPORT OF THE FINANCE COMMITTEE**

ON THE

**SPECIAL IMPORT LEVY  
BILL**

2<sup>ND</sup> JULY, 2013



Acc No 1498 Cg  
Class NO BR/SIL/13.

**REPORT OF THE FINANCE COMMITTEE ON THE SPECIAL IMPORT LEVY BILL**

**1.0 INTRODUCTION**

The Special Import Levy Bill was presented to Parliament by the Hon. Minister for Finance and read for the first time on Friday, 28<sup>th</sup> June, 2013. The Bill was referred to the Finance Committee for consideration and report in accordance with Article 174(1) of the 1992 Constitution and Order 169 of the Standing Orders of the House. The Rt. Hon Speaker further directed the Committee to determine whether the Bill is of urgent nature to be taken through all the three stages of passage in a day in accordance with Article 106 (13) of the Constitution and Order 119 of the Standing Orders of the House.

Pursuant to the referral, the Committee met with the Hon. Minister for Finance, Mr. Seth E. Terkper, Deputy Ministers of Finance, Hon. George Kweku Ricketts-Hagan and Hon. Cassiel Ato Forson, Officials from the Ministry Finance, Attorney General's Department and the Ghana Revenue Authority (GRA) and considered the referral.

The Committee is grateful to the Hon. Minister, Deputy Ministers and Officials from the Ministry, Attorney-General's Department and the GRA for their assistance.

**2.0 REFERENCE**

The Committee referred to the following additional documents during its deliberations:

- The 1992 Constitution of Ghana.
- The Standing Orders of the Parliament of Ghana.
- The Ghana Revenue Authority Act, 2009 (Act 791)
- Harmonized System and Customs Tariff Schedules 2012

### **3.0 BACKGROUND**

The Government in the 2013 Budget Statement and Economic Policy presented to Parliament outlined a number of measures aimed at fiscal consolidation and promotion of growth. However, the 2013 Budget has a funding gap of about Eight Billion Ghana Cedis. There is therefore the need to identify other avenues for revenue generation to help mobilise funds to finance the funding gap in the budget as well as reduce the 2013 budget deficit. The Special Import Levy therefore represents one of the measures being adopted to increase revenue generation to support government programs outlined in the 2013 budget.

### **4.0 PURPOSE OF THE BILL**

The Bill seeks to impose a Special Import Levy on selected imported goods at the point of importation.

### **5.0 PROVISIONS OF THE BILL**

The Bill is divided into six clauses as follows:

**Clause 1** imposes a Special Import Levy on imported goods to be paid at the point of importation and to be computed on the Cost, Insurance and Freight (CIF) value of the goods for the 2013, 2014 and 2015 calendar years.

**Clause 2** provides a schedule for the computation of the levy imposed under clause 1 for the various imported goods described.

**Clause 3** provides for the administration of the Levy. The clause mandates the Ghana Revenue Authority as the sole entity responsible for the administration of the Levy.

**Clause 4** provides that the Customs, Excise and Preventive Service (Management) Act, 1993 (PNDCL 330) applies for the assessment, collection and recovery of the Levy imposed and for related matters with the necessary modifications.

**Clause 5** mandates the Commissioner General of the GRA to pay all amounts collected into the consolidated Fund.

Clause 6 deals relates to interpretation and definition of terms used in the Bill.

## 6.0 OBSERVATIONS

### *Urgency of the Bill*

The Committee in its deliberations considered the Bill to be of an urgent nature and must be taken through all the stages in one day in accordance with Article 106 (13) of the Constitution and Order 119 of the Standing Orders of the House.

### *Expected Revenue*

The Minister informed the Committee that the estimated revenue expected from the imposition of the levy for the remaining half year of 2013 will amount to *Two Hundred and Eight Million Ghana Cedis (GH¢208,000,000)*. The Minister added that the revenue will ensure fiscal stability and provide resources for investment in social services and infrastructure across the country

### *Levy on fertilizers*

The Committee observed that the Bill proposed a 1% levy on all fertilizers listed under Chapter 31 of the Harmonized System and Customs Tariff Schedules, 2012. Though the Committee is not against the attempt by government to raise additional revenue to implement the programmes and projects outlined in the 2013 Budget, it believes that the proposed levy will increase the cost of fertilizers and ultimately lead to an increased food cost. The Levy further has the potential to impoverish the many subsistence crop farmers, most of whom are below the poverty line. The Committee accordingly proposed the deletion of the 1% levy on fertilizers.

## 7.0 AMENDMENTS


Based on the above observation, the Committee proposed the following amendments to the Bill:

- i. **Schedule (Regulation2) S/No 2 – Amendment Proposed – delete**
- ii. **Schedule (Regulation2) S/No 3 – Amendment Proposed – line 3, after “27”**  
*insert “and fertilizers listed under Chapter 31”*

**8.0 CONCLUSION**

The Committee upon a thorough examination of the Bill is confident that the levy would help raise additional revenue needed to implement projects and programmes outlined in the 2013 Budget. The Committee accordingly recommends to the House to adopt its report and take the Special Import Levy Bill through all the stages in accordance with Article 106 (13) of the Constitution and Order 119 of the Standing Orders of the House.

Respectfully submitted,

  
**HON. GABRIEL KODWO ESSILFIE**  
**(VICE CHAIRMAN, FINANCE COMMITTEE)**

  
**ROSEMARY ARTHUR SARKODIE (MRS)**  
**(CLERK, FINANCE COMMITTEE)**