



REPORT OF THE FINANCE COMMITTEE ON THE EMISSIONS LEVY BILL, 2023

1.0. INTRODUCTION

The Emission Levy Bill, 2023 was presented to Parliament by the Hon. Osei Kyei-Mensah-Bonsu on behalf of the Hon. Minister for Finance, and read for the first time on Tuesday 19th December, 2023 in accordance with Article 174(1) of the 1992 Constitution.

The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with Order 169 of the Standing Orders of the House.

Pursuant to the referral, the Committee met with the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare, officials from the Ministry of Finance, Attorney-General's Department and the Ghana Revenue Authority (GRA) and considered the referral.

The Committee is grateful to the Hon. Deputy Minister and officials for the assistance.

2.0. REFERENCE

The Committee referred to the following documents during its deliberations:

- i.The 1992 Constitution of Ghana;
- ii.The Standing Orders of the Parliament of Ghana;
- iii.The Budget Statement and Economic Policy of the Government of Ghana for the 2024 Financial Year; and
- iv.The Ghana Revenue Authority Act, 2009 (Act 791).

3.0. BACKGROUND

The Government of Ghana in an attempt to strengthen the global response to the threat of climate change in accordance with the Paris Agreement and the United Nations Framework Convention on Climate Change intends to introduce an Emission Levy, a measure that would also help mobilize some domestic revenue. The Levy, which is to be charged on carbon dioxide emissions from specified sectors and internal combustion engine vehicle emissions is in line with the Commitment of government to tackle greenhouse gas emissions and to encourage the use of clean Energy.

4.0. PURPOSE OF THE BILL

The purpose of the bill is to promote the use of eco-friendly technologies and green energy, improve environmental management while controlling general levels of air and water pollution locally by the imposition of a levy on Carbon Dioxide equivalent emissions from specified sectors and emissions from internal combustion engine vehicles in the Country. It would also help raise some domestic revenue.

5.0. PROVISION OF THE BILL

The Emissions Levy Bill, 2023 seeks to control adverse health effects of environmental pollution caused by Carbon Dioxide to the people and to minimise environmental pollution and environmental damage in line with international conventions. The proposed Bill consists of Seven (7) clauses on matters of Emission as follows:

Clause 1 deals with the imposition of the Emissions Levy. The clause imposes an Emissions Levy on carbon dioxide equivalent emissions from specified sectors and emissions from internal combustion engine vehicles.

Clause 2 sets the tax base for the imposition of the Levy. **Clause 3** provides for the assessment of the levy payable. The clause authorise the Commissioner-General and the relevant Government Agency to be responsible for the assessment and collection of the Levy. The clause also requires a person in a sector specified to file an estimate of the Levy payable for that year of assessment with the Commissioner-General by the end of the first month of the year.

Clause 4 deals with submission of returns and the time of payment of levy. The clause mandates a person who is subject to the payment of the Levy to submit a return of emissions and the Levy payable to the Commissioner-General for each month. The Levy assessed is to be remitted to the Commissioner-General not later than the last working day of the month immediately following the month to which the assessment relates.

The clause further requires a person who is subject to the payment of the Levy specified in the Bill, in respect of an internal combustion engine vehicle, to pay to the Levy to the Ghana Revenue Authority on or before the date for the renewal of the road use certificate. The Clause also make is obligatory for a person required to issue a road use certificate to demand evidence of payment of the Levy before issue of the road use certificate.

Clause 5 and **6** mandates the Ghana Revenue Authority to collect the Levy and pay all levies collected into the Consolidated Fund.

Clause 7 provides for the administration of the Levy. The administration of the Levy will govern by the revenue Administrations Act, 2016 (Act 915). **Clause 8** provides for miscellaneous matters. The Clause empowers the Minister to make Regulations by Legislative Instrument to amend the Schedule to revise the rates of the levy, the sectors and motor vehicles subjected to the levy.

Clause 9 provides for the interpretation of word and expressions used in the Bill.

6.0. OBSERVATIONS

6.1. Fiscal Impact of the Proposed Amendment

The Committee observed that the Bill which seeks to control the level of Carbon Dioxide emissions will generate an amount of Four Hundred and Fifty-One Million Cedis (GH¢451,000,000) for the 20104 fiscal year. The revenues will be paid into the consolidated Fund to support government expenditure for the period.

6.2. Importance of the Bill

On the importance of the Bill, the Hon. Deputy Minister informed the Committee that the proposed Levy is expected to promote the use of eco-friendly technology and green energy by Manufacturers, Mining companies, Oil and Gas firms, Electricity and Heating Sectors. It would also improve environmental management while controlling general levels of air and water pollution. The ultimate effect is to reduce the adverse impact of pollution on the environment and reduce environmental pollution and encourage the use of clean energy.

6.3. Position of the Minority NDC Members

The NDC Minority Members on the Committee expressed concerns about the impact of the Levy on the ordinary Ghanaian and its potential to increase the cost of doing business in the country. They therefore expressed their inability to support the imposition of the Levy due to its potential impact on the general living conditions in the Country. The Members of the Minority therefore declined to recommend the Bill to the House for passage into law.

7.0. AMENDMENTS PROPOSED

The Committee having carefully examined the Bill proposes the following amendments:

- i. **Clause 4 -- Amendment Proposed -- Sub Clause (2), Line one, delete "section 2" and insert "section 3".**
- ii. **Clause 8 -- Amendment Proposed -- paragraph (a), delete.**
- iii. **Clause 8 -- Amendment Proposed -- paragraph (b), Lines One and Two, delete "and" and insert "or".**
- iv. **SCHEDULE -- Amendment Proposed -- Headnote, delete "(sections 1, 2(2), 3(1), 3(3), 8(a) and 8(b))" and insert "(sections 1, 2, 3(2), 4(1), 4(3), 8(a) and 8(b))".**

v. SCHEDULE – Amendment Proposed – Third Row – Delete and insert

2	Emission from motor vehicles	Internal Combustion engine vehicles	
		1. Motor Cycle & tricycle	GH¢75 per annum
		2. Motor Vehicles, buses & coaches up to 3000cc	GH¢150 per annum
		3. (i) Motor Vehicles, buses & coaches above 3000cc (ii) Cargo trucks & articulated trucks	GH¢300 per annum

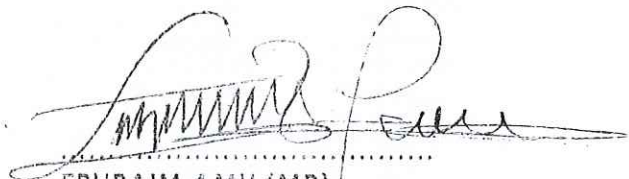
8.0. CONCLUSION AND RECOMENDATION

The Committee has thoroughly examined the Bill and is convinced that the passage of the proposed Emission Levy Bill, 2023 purely improve environmental management while controlling general levels of air and water pollution in Ghana. The passage of the Bill will also promote the use of eco-friendly technology and green energy, improve environmental management and control air and water pollution. The Committee by **Majority Decision** recommends to the House to adopt this Report and pass the **Emissions Levy Bill, 2023** into law in accordance with Article 106 (13) of the 1992 Constitution of the Republic of Ghana and Order 119 of the Standing Orders of the House.

Respectfully submitted.



HON. KWAKU KWARTENG
(CHAIRMAN, FINANCE COMMITTEE)



EPHRAIM AMU (MR)
(SNR. ASSIST CLERK,
FINANCE COMMITTEE)

20TH DECEMBER, 2023

