

EMISSIONS LEVY BILL, 2023

MEMORANDUM

The object of the Bill is to impose an Emissions Levy on carbon dioxide equivalent emissions from specified sectors and emissions from internal combustion engine vehicles to improve environmental management while controlling general levels of air and water pollution, locally.

The United Nations Framework Convention on Climate Change has been holding the United Nations Climate Change Conference of the Parties of the United Nations Framework Convention on Climate Change since 1995 to deliberate on climate related issues. At the 21st Conference, the Paris Agreement, a legally binding international treaty on climate change was adopted by all the one hundred and ninety-six Parties in attendance.

The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping a global temperature rise below two degrees Celsius above pre- industrial levels and to pursue efforts to limit the temperature increase even further to one point five degrees Celsius. Additionally, the Paris Agreement aims to increase the ability of countries to deal with the impacts of climate change and also make finance flows consistent with a low greenhouse gas emissions and climate resilient pathway.

The participation of the country and the signing of the Stockholm and Rio Conventions in 1972 and 1992, respectively, signified the beginning of the desire and willingness of the country to make a concerted and conscious effort to manage the environment. It was also a signal that the country was prepared to make a contribution to the global effort to stabilise greenhouse gas concentrations in the atmosphere at a level that avoids dangerous anthropogenic interference with the climate system within a time frame that enables economic, social and environmental development to proceed in a sustainable manner.

The endorsement of the United Nations Sustainable Development Goal 13 which advocates urgent action to combat climate change and the impact of climate change and the adoption of the Paris Agreement also signal the importance Government places on addressing climate related matters.

International convention requires that, the costs of remedying pollution and the consequent adverse health effects and the prevention, controlling or minimising of further pollution, environmental damage or adverse health effects must be paid for

by those responsible for harming the environment based on the 'polluter pays' principle.

In line with the commitment of Government to tackle greenhouse gas emissions, an Emissions Levy on carbon dioxide equivalent emissions from specified sectors and internal combustion engine vehicle emissions is to be introduced. This is aimed at promoting the use of eco-friendly technology and green energy, improving environmental management while controlling general levels of air and water pollution locally. The measure is expected to generate an amount of four hundred and fifty-one million, five hundred thousand Cedis.

Clauses 1 to 7 of the Bill provide for matters on the Emission Levy.

The Bill, in *clause 1*, imposes an Emissions Levy on carbon dioxide equivalent emissions from specified sectors and emissions from internal combustion engine vehicles.

The tax base for the imposition of the Levy is set out in *clause 2*. The Levy imposed in the Bill is the sum of the greenhouse gas emissions by a person expressed as the carbon dioxide equivalent of those greenhouse gas emissions resulting from fuel combustion and industrial processes, and fugitive emissions.

Clause 3 provides for the assessment of the levy payable. Under the *clause*, the Commissioner-General and the relevant Government Agency are responsible for assessment of the Levy imposed. A person, in a sector specified in the Bill who is subject to payment of the Levy for a year of assessment, is required 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. The estimate required subject to any directives of the Commissioner-General to the contrary, is to be in the form determined by the Commissioner-General and provide any other information that the Commissioner-General may require.

Clause 4 deals with submission of a return and the time of payment of levy. The *clause* mandates a person who is subject to the payment of the Levy in a sector indicated in the Bill to submit to the Commissioner-General, a return of emissions and the Levy payable 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 in

question. A person required to issue a road use certificate is obligated to demand evidence of payment of the Levy before issue of the road use certificate.

Clause 5 mandates the Ghana Revenue Authority established under the Ghana Revenue Authority Act, 2009 (Act 791) to collect the Levy.

The Commissioner-General is to pay all amounts collected under the Bill into the Consolidated Fund, *clause 6*.

The administration of Levy is provided for in *clause 7*. Under the *clause*, the Revenue Administration Act, 2016 (Act 915) is to govern the administration of the Levy.

Miscellaneous matters are dealt with in *clauses 8 and 9*.

The power of the Minister to make Regulations by legislative instrument is set out in *clause 8*. Matters for which Regulations may be made include amending the Schedule to revise the rates of the Levy, and the sectors and motor vehicles subject to the Levy.

Finally, *clause 9* provides for the interpretation of words and expressions used in the Bill.



KEN OFORI-ATTA

Minister responsible for Finance

Date:.....19th.....December, 2023

EMISSIONS LEVY BILL, 2023

ARRANGEMENT OF SECTIONS

Section

Emissions Levy

1. Imposition of Emissions Levy
2. Tax base
3. Assessment of the Levy payable
4. Submission of return and time of payment of Levy
5. Authority to collect Levy
6. Payment of Levy into Consolidated Fund
7. Administration of Levy

Miscellaneous Provisions

8. Regulations
9. Interpretation

SCHEDULE

EMISSIONS LEVY BILL, 2023

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BILL

ENTITLED

EMISSIONS LEVY ACT, 2023

AN ACT to impose an Emissions Levy on carbon dioxide equivalent emissions from specified sectors and internal combustion engine vehicle emissions, and provide for related matters.

PASSED by Parliament and assented to by the President:

Emissions Levy

Imposition of Emissions Levy

1. There is imposed by this Act, an Emissions Levy on the emissions specified in the second column of the Schedule in respect of the sectors and motor vehicles specified in the third column of the Schedule at the rates specified in the fourth column of the Schedule.

Tax base

2. The Levy in respect of the emissions indicated in the second row of the second column of the Schedule is the sum of the greenhouse gas emissions by a person expressed as the carbon dioxide equivalent of those greenhouse gas emissions resulting from fuel combustion and industrial processes, and fugitive emissions.

Assessment of the Levy payable

3. (1) The Commissioner-General, in collaboration with the relevant Government agency, is responsible for assessment of the Levy imposed.

(2) A person, in a sector specified in the second row of the third column of the Schedule who is subject to payment of the Levy for a year of assessment,

shall 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.

(3) An estimate filed under subsection (2) shall, subject to any directives of the Commissioner-General to the contrary, be in the form determined by the Commissioner-General.

(4) A person who files an estimate under subsection (2) shall provide any other information that the Commissioner-General may require.

Submission of return and time of payment of Levy

4. (1) A person who is subject to the payment of the Levy in a sector specified in the second row of the third column of the Schedule shall submit to the Commissioner-General, a return of the quantity of emissions and the Levy payable for each month not later than the last working day of the month immediately following.

(2) The Levy assessed under subsection (2) of section 2 shall 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.

(3) A person who is subject to the payment of the Levy on a motor vehicle specified in the third row of the third column of the Schedule shall pay the Levy to the Ghana Revenue Authority on or before the date for the renewal of a road use certificate.

(4) A person required to issue a road use certificate shall demand evidence of payment of the Levy before the issue of the road use certificate.

Authority to collect Levy

5. The Ghana Revenue Authority established under the Ghana Revenue Authority Act, 2009 (Act 791) shall collect the Levy.

Payment of Levy into Consolidated Fund

6. The Commissioner-General shall pay all amounts collected under this Act into the Consolidated Fund.

Administration of Levy

7. The Revenue Administration Act, 2016 (Act 915) shall govern the administration of the Levy.

Miscellaneous Provisions

Regulations

8. The Minister may, by legislative instrument, make Regulations
- (a) to amend the Schedule to revise the rates of the Levy;
 - (b) to amend the Schedule to revise the sectors and motor vehicles to include or exclude sectors and motor vehicles subject to the Levy; and
 - (c) generally, for the effective and efficient implementation of this Act.

Interpretation

9. In this Act, unless the context otherwise requires,

"carbon dioxide equivalent" means the number of metric tonnes of carbon dioxide emissions with the same global warming potential as one metric tonne of another greenhouse gas;

"Commissioner-General" means the Commissioner-General appointed under section 13 of the Ghana Revenue Authority Act, 2009 (Act 791);

"fugitive emissions" include emissions that are released into the atmosphere by any means other than through an intentional release through stack or vent including extraction, processing, delivery and burning for energy production of fossil fuels, including leaks from industrial plant and pipelines;

"Ghana Revenue Authority" means the Ghana Revenue Authority established under section 1 of the Ghana Revenue Authority Act, 2009 (Act 791);

"greenhouse gas" includes gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons,

perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride;

"Levy" means the Emissions Levy imposed under section 1;

"Minister" means Minister responsible for Finance; and

"road use certificate" means the certificate set out in form D of the First Schedule to the Road Traffic Regulations, 2012 (L.I. 2180).

SCHEDULE
 . (sections 1, 2(2), 3(1), 3 (3), 8(a) and 8(b))

NO.	TYPE OF EMISSIONS	SECTOR / MOTOR VEHICLE	RATE
1.	Carbon dioxide equivalent emissions from specific sectors	1. Construction sector 2. Manufacturing sector 3. Mining sector 4. Oil and Gas sector 5. Electricity and heating sector	GH¢ 100 per tonne of emissions per month
2.	Emissions from motor vehicles	Internal combustion engine vehicles	GH¢100 per annum