

**IN THE SECOND SESSION OF THE SEVENTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA**

**REPORT OF THE FINANCE COMMITTEE ON  
THE GHANA EDUCATION TRUST FUND  
(AMENDMENT) BILL, 2018**

**1.0 INTRODUCTION**

The **Ghana Education Trust Fund (Amendment) Bill, 2018** was presented to Parliament and read the first time on Friday 20<sup>th</sup> July, 2018. The Bill was subsequently *referred* to the Finance Committee for consideration and report in accordance with the 1992 Constitution and Order 169 of the Standing Orders of the House.

A Deputy Minister for Finance, Hon. Kwaku Kwarteng and officials from the Ministry of Finance and the Ghana Revenue Authority (GRA) attended upon and assisted the Committee in its deliberations on the Bill.

The Committee is grateful to the Hon. Deputy Minister and the officials from the Ministry of Finance and the GRA for attending upon the Committee.

**2.0 REFERENCES**

The Committee referred to the following documents inter alia during its deliberations on the Bill:

- a. The Constitution of the Republic of Ghana, 1992.
- b. The Standing Orders of the Parliament of Ghana.
- c. The Ghana Education Trust Fund Act, 2000 (Act 581)
- d. Interpretation Act, 2009 (Act 792)
- e. Ghana Revenue Authority Act, 2009 (Act 791)

### **3.0 BACKGROUND**

The Ghana Education Trust Fund (GETFund) provides for educational infrastructure and other objects as stipulated in the Ghana Education Trust Fund Act, 2000 (Act 851). The Fund is however currently constrained with the growing student population. In effect, the sources of the fund are inadequate.

Government therefore seeks to replace the source of allocation to the fund from the Value Added Tax with the creation of Ghana Education Trust Fund Levy and to remove the option of deductibility of input tax. This will enable Government increase the budget for education. The levy will continue to be two and half percent (2.5%) of the value of goods and services and imports supplied.

#### **3.1 URGENCY OF THE BILL**

In accordance with article 106(13) of the 1992 Constitution and Order 119 of the Standing Orders of the House, the Committee determined and hereby certifies that the Bill is of an urgent nature and may therefore be taken through all its stages of passage in one day.

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

The objective of this Bill is to convert the two and half percent portion of the Value Added Tax allocation to Ghana Education Trust Fund into a levy not subject to the input-output method of computation. The Bill also seeks to expand the scope of the Fund to cover all educational services.

#### **5.0 CONTENTS OF THE BILL**

The Bill contains three (3) clauses

*Clause 1* of the Bill amends Section 2 of the Act 581 to widen the coverage of the fund.

*Clause 2* amends Section 3 to include the Ghana Education Trust Fund Levy as part of the sources of moneys for the fund.

*Clause 3* further amends the Act by the addition of new Sections 3A, 3B, 3C, 3D and 3E.

## **6.0 OBSERVATIONS**

### **6.1 Expected Revenue**

The Committee noted that the estimated additional revenue from the passage of the Bill into law is **Two Hundred and Eighty-Five Million Ghana Cedis (GH¢285,000.000.00)** for the period August to December 2018.

### **6.2 Ineligible goods**

The Committee observed that upon the passage of the Bill into law, the Ghana Education Trust Fund levy will not be applicable to any goods on which the Value Added Tax (VAT) Flat Rate Scheme is imposed.

## **7.0 AMENDMENTS PROPOSED**

The Committee respectfully recommends the following amendments to the Bill:

- i. **Clause 1– Amendment Proposed – Delete**  
***Reason: The Committee does not agree that the coverage of the Ghana Education Trust Fund should be expanded since the Fund is already overburdened. Besides, what the clause seeks to achieve is already provided for in the principal enactment.***

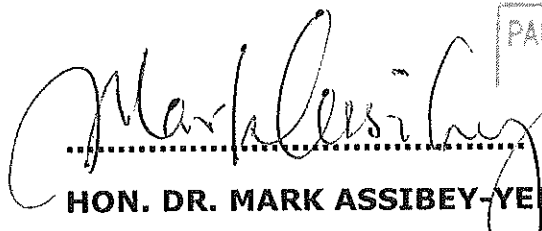
- ii. **Clause 2– Amendment Proposed** – Line 2, *delete* “provide” and *insert* “provided”.  
**Reason: To correct a typographical error.**
  
- iii. **Clause 3– Amendment Proposed** – Line 1, *delete* “new”.  
**Reason: The deleted word is inappropriately supplied.**
  
- iv. **Long Title – Amendment Proposed** – *Delete* and *insert* “AN ACT to convert the Value Added Tax component allocated to the Ghana Education Trust Fund into a Levy which is not subject to the input-output method of computation and to provide for related matters.”  
  
***Reason: The Committee does not agree that the coverage of the Ghana Education Trust Fund should be expanded since the Fund is already overburdened. Also, “straight levy” should be properly described as a levy which is not subject to input-output method of computation.***

## **8.0 CONCLUSION**


The Committee finds that the passage of the Bill into law will provide an enhanced revenue flow into the Ghana Education Trust Fund (GETFund).

The Committee therefore recommends to the House to adopt this report and pass the **Ghana Education Trust Fund (Amendment) Bill, 2018** into law *subject to the amendments proposed* in accordance with Article 106(13) of the 1992

Constitution and Order 119 of the Standing Orders of the House.  
Respectfully Submitted.

  
.....  
**HON. DR. MARK ASSIBEY-YEBOAH**  
**(CHAIRMAN, FINANCE COMMITTEE)**

PARLIAMENT OF GHANA LIBRARY  
PARLIAMENT HOUSE  
OSU - ACCRA

  
.....  
**MS. EVELYN BREFO-BOATENG**  
**(CLERK, FINANCE COMMITTEE)**

**23RD JULY, 2018**