

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

**REPORT OF THE
FINANCE COMMITTEE**

ON THE

**SPECIAL IMPORT LEVY
(AMENDMENT) BILL, 2017**

5TH DECEMBER, 2017

Acc No: 1871 CF
Class No: BR/SIL/17

1.0 INTRODUCTION

The **Special Import Levy (Amendment) (No.2) Bill, 2017** was *presented and read the first time* in Parliament on Wednesday, 29th November, 2017. 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, the Ghana Revenue Authority (GRA) and the Attorney General's Department 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, the GRA and the Attorney-General's Department 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. Special Import Levy Act, 2013 (Act 861)
- d. Ghana Revenue Authority Act, 2009 (Act 791)

3.0 BACKGROUND

The Special Import Levy was introduced in the second half of the year 2013 to raise funds to stabilize the economy which was suffering from external shocks. The period of the levy was to lapse at the end of 2017. However, the government finds that its continuance for another two years would help to sustain the stability of the economy, hence the introduction of this Bill.

4.0 PURPOSE OF THE BILL

The object of the Bill is to amend the Special Import Levy Act, 2013 (Act 861) to extend the period of application of the Special Import Levy Act, 2013 (Act 861) and to provide for related matters.

5.0 CONTENT OF THE BILL

The **Special Import Levy (Amendment) (No.2) Bill, 2017** contains just one clause.

The Clause provides for the amendment of section 1 of Act 861 to extend the period of the tax from 2017 to the end of 2019.

6.0 OBSERVATIONS

6.1 Fiscal Impact

As to how much revenue was going to be realized from the extension of the period of the Levy, the Committee was informed that the estimated revenue from the Levy for the 2018 Financial Year is expected to be six hundred and seventy-four million, three hundred and fifty-two thousand,

seven hundred and forty-eight Ghana Cedis and fifty-one pesewas (GHS 674,352,748.51).

6.2 Commitment of Government to tax reliefs

The Committee noted that Government removed and reduced some taxes in 2017 to support businesses and provide relief to individuals. The Committee was informed that Government is still committed to carrying out social interventions to improve the well-being of citizens especially the poor and the vulnerable. Consequently, some tax handles have to be maintained in the short term as efforts are made to improve compliance. It is in this regard that the Special Import Levy is being extended to the end of 2019.

6.3 Nuisance Tax

As to whether the Special Import Levy was not a nuisance tax which ought to be scrapped, the Deputy Minister for Finance, Hon. Kwaku Kwarteng disagreed and explained that presently, the Levy is not a nuisance tax even though with changes in the economic circumstances of the country, it could become a nuisance tax sometime in the future.

6.4 Minority's Opposition to the Extension of the Levy

The Members of the Minority Caucus on the Committee expressed their opposition to the extension of the levy given the ruling party's promise to abolish nuisance taxes which in their opinion include this levy.


The Majority were however of the opinion that the levy was part of the measures that helped to stabilize the economy in 2017 and should therefore be continued for the next two years in order to consolidate the stability of the economy.

7.0 CONCLUSION

The Committee, upon careful examination of the Bill, finds that its passage would help maintain the fiscal stability of the economy.

The Committee, *by majority decision*, recommends to the House to adopt this report and pass the **Special Import Levy (Amendment) (No.2) Bill, 2017** into law in accordance with Article 106 of the 1992 Constitution and the Standing Orders of the House.

Respectfully Submitted.


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


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