

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

PARLIAMENT OF GHANA (IRPADV)

REPORT OF THE

FINANCE COMMITTEE

ON

THE PENALTY AND INTEREST WAIVER BILL, 2021

PARLIAMENT OF GHANA (IRPADV)

30TH MARCH, 2021

Acc No : 2051

Class No : BR/P100/21

1.0 INTRODUCTION

The Penalty and Interest Waiver Bill, 2021 was first presented to Parliament and read the first time on Friday, 26th March, 2021.

Rt. Hon. Speaker referred the Bill to the Finance Committee for consideration and report in accordance with the 1992 Constitution and the Standing Orders of Parliament.

The Committee met with the President's Representative at the Ministry of Finance, Hon. Charles Adu Boahene, the Senior Technical Adviser at the Ministry, Hon. Abena Osei Asare and a team of officials from the Ministry of Finance, the Ghana Revenue Authority (GRA) and the Attorney-General's Department.

1.1 Urgency of the Bill

The Committee met and determined that the Bill is of an urgent nature and therefore certifies that it must be taken through all the stages of passage in one day in accordance with Article 106 (13) of the 1992 Constitution and Order 119 of the Standing Orders of Parliament.

2.0 DOCUMENTS REFERRED TO

The Committee referred to the following documents in order to consider the Bill:

1. The 1992 Constitution;
2. The Income Tax Act, 2015 (Act 896);
3. The Standing Orders of Parliament.

3.0 OBJECT OF THE BILL

The object of the Bill is to grant a waiver of penalty and interest on accumulated tax arrears up to December 2020 for persons who make arrangements with the Ghana Revenue Authority (GRA) for payment of the principal tax by December 2021.

4.0 STRUCTURE OF THE BILL

The Bill contains twelve (12) clauses.

Clause 1 provides for the waiver of penalties and interests on accumulated tax arrears. Clause 2 outlines the conditions for the waiver of penalty and interest.

Clause 3 delineates the scope of a waiver under the Bill. Under clause 4, a person who qualifies for a waiver is required to submit a written application and the required returns to the Commissioner-General during the period of 1st April, 2021 and 30th September, 2021.

Clause 5 provides for the consideration of the application for waiver. Clause 6 is on complaint and determination of complaint. Clause 7 empowers the Commissioner-General to grant terms for the payment of an assessed amount and outstanding tax arrears.

Clause 8 retains the powers of the Commissioner-General to remit tax under an enactment administered by the Commissioner-General. Under clause 9, the Commissioner-General is required to submit to the Minister, an interim report indicating a waiver granted as at 30th September, 2021 and a final report on a waiver granted as at 31st December, 2021.

Clause 10 provides for the power of the Minister to make Regulations whilst Clause 11 empowers the Commissioner-General to issue administrative Guidelines as may be required for the efficient and effective implementation of the Bill. Interpretation is provided for under Clause 12.

5.0 OBSERVATIONS

5.1 Rationale for the Bill

The Committee was informed that COVID-19 pandemic has adversely affected the livelihoods of many Ghanaians and enterprises. Some sectors of the economy and sections of the population continue to suffer the devastating consequences of the pandemic such as job losses and closure of businesses. It has additionally created cash flow challenges for some businesses.

To cushion the effects of the pandemic on individuals and businesses and in response to direct appeals from the tax-paying public, Government has decided to grant a partial amnesty that will waive interests and penalties on outstanding taxes as at December, 2020 for which payments are made by 31st December, 2021. This includes exemption from prosecution. The grant of the waiver will reduce the cost of compliance and administration and resolve cash flow challenges for both Government and taxpayers.

The Bill is therefore to grant a waiver of penalty and interest on accumulated tax arrears up to December 2020 for persons who make arrangements with the Ghana Revenue Authority for payment of the principal tax by December 2021.

5.2 Fiscal Impact of the Bill

The Committee was informed that Government expects to recover arrears estimated at Five Hundred and Thirty-Six Million Ghana Cedis (GH¢536 Million) from the waiver of the penalties and Two Hundred and Four Million Ghana Cedis (GH¢204 Million) from the waiver of interests.

6.0 RECOMMENDATION

The Committee, having carefully scrutinized the Bill, proposes the following amendment for the consideration of the House:

Amendment

- i. **Amendment proposed** –Clause 9, paragraph (a) and (b), *delete* “a waiver” and insert “waivers”.

7.0 CONCLUSION

After a careful consideration, the Committee is of the view that the Bill is in the right direction as it would provide some relief to the tax-paying public and enhance compliance.


The Committee therefore recommends to the House to adopt its Report and pass the Penalty and Interest Waiver Bill, 2021 in accordance with the 1992 Constitution and the Standing Orders of the House.

Respectfully submitted.



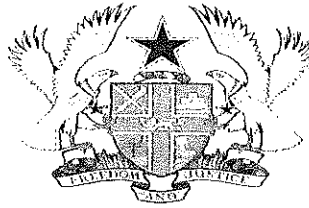
**HON. KWAKU KWARTENG
CHAIRMAN, FINANCE COMMITTEE**

March, 2021



**EVELYN BREFO-BOATENG
CLERK TO THE COMMITTEE**

In case of reply the
number and date of this
letter should be quoted



OFFICE OF THE
ATTORNEY-GENERAL AND
MINISTRY OF JUSTICE
P. O. BOX MB. 60
MINISTRIES
ACCRA

My Ref No. L.I. 2/2021; L.I.17/2010V.7

30th March, 2021

*Your Ref No.
Fax No: 667609 / 666625*

REPUBLIC OF GHANA

PENALTY AND INTEREST WAIVER BILL, 2021

The above subject matter refers.

Further to the meeting of the Parliamentary Committee on Finance held on 29th March, 2021 at Parliament House, Accra to consider the Penalty and Interest Waiver Bill, 2021, please find attached the proposed amendments to the Bill for your consideration.

Kindly inform this Office if the proposed amendments are satisfactory.

A handwritten signature in black ink, appearing to read 'Godfred Yeboah Dame', written over a horizontal line.

GODFRED YEBOAH DAME
ATTORNEY-GENERAL AND
MINISTER FOR JUSTICE

THE CHAIRPERSON
PARLIAMENTARY COMMITTEE
ON FINANCE
PARLIAMENT HOUSE
ACCRA.

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

CC : REPRESENTATIVE OF THE PRESIDENT, MOF
DIRECTOR, RMERD, MOF
DIRECTOR, LEGAL, MOF

30TH MARCH, 2021

PROPOSED AMENDMENTS TO THE PENALTY AND INTEREST WAIVER
BILL, 2021

1. Clause 9 – Reporting

- (a) In paragraph (a) of the clause, delete “a waiver” and insert “waivers”.
- (b) In paragraph (b) of the clause, delete “a waiver” and insert “waivers”.

2. Long Title

- (a) In line 2 of the Long Title, delete “December” and insert “31st December,”.
- (b) In line 4 of the Long Title, delete “December” and insert “31st December,”.