

*Energy Sector Levies (Amendment) Bill, 2017*

ARRANGEMENT OF SECTIONS

*Sections*

1. Section 4 of Act 899 amended
2. First Schedule to Act 899 amended

*Energy Sector Levies (Amendment) Bill, 2017*

A  
**BILL**

ENTITLED

**ENERGY SECTOR LEVIES (AMENDMENT) ACT, 2017**

AN ACT to amend the Energy Sector Levies Act, 2015 (Act 899) to repeal paragraphs (a) and (b) of subsection (2) of section 4; to provide for a reduction in the rate of levies for Public Lighting and the National Electrification Scheme on petroleum products, and for related matters.

PASSED by Parliament and assented to by the President:

**Section 4 of Act 899 amended**

1. The Energy Sector Levies Act, 2015 (Act 899) referred to in this enactment as the “principal enactment” is amended in subsection (2) of section 4 by the repeal of paragraphs (a) and (b).

**First Schedule to Act 899 amended**

2. The First Schedule to the principal enactment is amended (a) by the substitution for the fifth row “PUBLIC LIGHTING LEVY”, of; and

“PUBLIC LIGHTING LEVY	3% per price of kWh of electricity charged on all categories of consumers	To support payment of energy consumed by traffic lights, street lights, public lights and highways to support investment and maintenance of traffic lights, streets, public lights and highways by Metropolitan, Municipal and District Assemblies and to cater for replacement of street lights destroyed by hit and run motor vehicles.	Electricity Company of Ghana, NEDCO, VRA and other suppliers of electricity	Ministry responsible for Power and Electricity Distribution Companies”
-----------------------	---	---	---	--

*Energy Sector Levies (Amendment) Bill, 2017*

(a) by the substitution for the sixth row” NATIONAL ELECTRIFICATION SCHEME LEVY”, of

“NATIONAL ELECTRIFICATION SCHEME LEVY	2% per price of kWh of electricity charged on all categories of consumers	To provide funding to support national electrification programme to improve access to electricity	Electricity Company of Ghana, NEDCO, VRA and other suppliers of electricity	National Electrification Fund”
---------------------------------------	---	---	---	--------------------------------

Date of *Gazette* notification: 28th March, 2017.



## **ENERGY SECTOR LEVIES (AMENDMENT) BILL, 2017**

### **MEMORANDUM**

In the 2017 Budget statement, Government identified the National Electrification Scheme Levy and the Public Lighting Levy as, among others, taxes that impose an undue burden on consumers and proposed to reduce the National Electrification Scheme Levy from five percent to three percent and the Public Lighting Levy from five percent to two percent. Both taxes were imposed under the Energy Sector Levies Act, 2016 (Act 899).

Following further assessment of the uses of the two levies and the projected impact of the proposed reductions, Government proposed to reduce the National Electrification Scheme Levy from five percent to two percent and the Public Lighting Levy from five percent to three percent. This will ensure that collections of the National Electrification Scheme Levy and the Public Lighting Levy continue to be sufficient to meet its purposes of supporting the National Electrification Programme, investments and maintenance of traffic lights, street lights, public lights and highways lights.

The reduction in the rates would lead to an estimated revenue loss of GH¢308.30 million. Of this amount, GH¢185.28 million and GH¢123.01 million are estimated National Electrification Scheme Levy and Public Lighting Levy losses to the Power Generation and Infrastructure Support Sub-Account. In effect, the sixty percent of the National Electrification Scheme Levy and the forty percent of the Public Lighting Levy that would normally be paid into the Power Generation and Infrastructure Support Sub-Account will no longer be available for payment into the Sub-Account.

The reduction in rates would have no impact on the current obligations under the debt restructuring arrangements with the creditor banks.

## **ENERGY SECTOR LEVIES (AMENDMENT) BILL, 2017**

The necessary amendments required to implement this policy include the repeal of paragraphs (a) and (b) of subsection (2) of section 4 of the Energy Sector Levies Act, 2015 (Act 899) and amendments to the Schedule to the Act.

The object of this Bill is therefore to amend Act 899 by repealing paragraphs (a) and (b) of subsection (2) of section 4 and revising the levies in the First Schedule, payable in respect of the Public Lighting Levy and the National Electrification Scheme Levy on petroleum products to reduce the cost of production and the burden on households.

MR. KEN OFORI-ATTA  
*Minister responsible for Finance*

Date: 27th March, 2017.