

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

REPORT OF THE

FINANCE COMMITTEE

ON THE

TAX AMNESTY BILL, 2017

22ND DECEMBER, 2017

1.0 INTRODUCTION

The Tax Amnesty Bill, 2017 was first presented to Parliament and read the first time on 21st December, 2017.

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 a Deputy Minister for Finance, Hon. Kwaku Kwarteng, and a team of officials from the Ministry of Finance, Ghana Revenue Authority and Attorney-General's Department.

1.1 Urgency of the Bill

The Committee met and determined that the Bill is of an urgent nature. It therefore certifies that the Bill is of an urgent nature and 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. 1992 Constitution;
2. The Standing Orders of Parliament.

3.0 OBJECT OF THE BILL

The Object of the Bill is to grant amnesty to persons who failed to register with the Commissioner-General or file their tax returns or pay taxes as required by enactments administered by the Commissioner-General

4.0 STRUCTURE OF THE BILL

The Bill has eight clauses:

Clause 1 deals with amnesty for taxes, penalties and interests and prohibits the Commissioner-General from assessing or recovering taxes, penalties and interest in respect of previous years up to and including the 2017 year of assessment;

Clause 2 deals with amnesty for penalties and interests and prohibits the Commissioner-General from assessing or recovering penalties and interest in respect of previous years up to and including the 2017 year of assessment from a person where that person submits returns or amended returns containing previously undisclosed liabilities up to the 2017 year of assessment on or before 30th September, 2018 and pays all assessed and outstanding taxes;

Clause 3 provides the scope of the tax amnesty;

Clause 4 deals with application for tax amnesty and specifies the time frame, requirements and procedure for applying the tax amnesty;

Clause 5 provides for complaints and determination of complaints;

Clause 6 deals with payment terms;

Clause 7 deals with tax remission; and

Clause 8 provides for administrative guidelines.

5.0 OBSERVATIONS

5.1 Rationale for the Bill

The Deputy Minister informed the Committee that a significant number of taxpayers fail to file returns with average filing rates falling below fifty (50) percent. Further the sanctions and penalties are quite stringent that deters taxpayers from coming forward voluntarily to file returns and make outstanding payments.

Government is introducing this amnesty to exempt taxpayers who register and file returns within the targeted period from paying penalties and interests for late submission or non-submission of returns as well as non-payment of taxes.

The Deputy Minister also indicated that the bill seeks to forgive taxpayers who have not registered with the Authority and registers with the Authority during the Amnesty period.

5.2 Reducing the Tax Burden

The Deputy Minister stated that as per the Budget Statement, Government's policy is to reduce taxes on the ordinary Ghanaian. The reduction can be achieved if the tax base is broadened.

The measure therefore is to help broaden the tax base and improve compliance. This would help accelerate growth of the Private Sector to generate jobs.

5.3 Intense Education

The Commissioner-General indicated that previous tax amnesties did not achieve their intended objects due to poor education and public awareness. He said the Authority has already began a massive public education of the general public to create the needed awareness. He was of the view that this time, the amnesty would realize the desired objectives.

5.4 Compliance measures

The Deputy Minister informed the Committee that after the amnesty period, the Authority would be embarking on a vigorous campaign to ensure compliance. The measures to be taken would include court actions. He said some entities have already been prosecuted.

5.5 Amnesty Duration

The Committee was informed that the amnesty duration is for eight months starting 1st January, 2018 and ending 31st August, 2018.

5.6 Update of Database of Taxpayers

The Commissioner-General informed the Committee that the Authority has done a lot of work to update its database on taxpayers. He said the Authority now has information on teachers, lawyers, members of all professional bodies, doctors among others.

The amnesty is to give them the opportunity to come to the Authority and file their returns. After the period, the Authority intends to go after defaulters.

6.0 RECOMMENDATIONS

The Committee proposes the following amendments

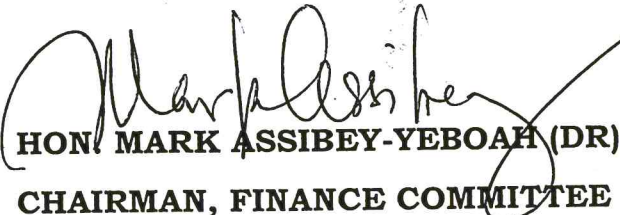
1. **Amendment Proposed** – Clause 5, line 2, after “General” insert “not”

This is to cater for an omission

7.0 CONCLUSION

After careful consideration, the Committee is of the view that the Bill is in the right direction and therefore recommends to the House to adopt its Report and pass the Tax Amnesty Bill, 2017 in accordance with the 1992 Constitution and the Standing Orders of the House.

Respectfully submitted.


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


EVELYN BREFO-BOATENG
CLERK TO THE COMMITTEE

22nd December, 2017