**Integrity. Fairness. Service.**

**IMPLEMENTATION OF NEW TAX POLICIES IN THE 2021 BUDGET**

**STATEMENT AND ECONOMIC POLICY**

The Commissioner-General of the Ghana Revenue Authority brings to the notice of the general public, especially taxpayers that Parliament has passed three new tax laws and amended two existing laws to be implemented in 2021.

The laws are:

1. Penalty and Interest Waiver Act, 2021 (Act 1065)
2. COVID-19 Health Recovery Levy Act, 2021 (Act 1068)
3. Financial Sector Recovery Levy Act, 2021 (Act 1067)
4. Energy Sector Levy (Amendment) Act, 2021 (Act 1064)
5. Income Tax (Amendment) Act, 2021 (Act 1066)

The COVID-19 Health Recovery Levy Act, 2021 (Act 1068) and the Energy Sector Levy (Amendment) Act, 2021 (Act 1064) are effective from **1st May, 2021**.

**Details of the Laws**

1. **Penalty and Interest Waiver Act 2021 (Act 1065)**
* A waiver of penalties and interests on accumulated tax arears up to December 2020 for persons who make arrangements to pay the principal tax
* The application for the waiver can be done from 1st April to September 2021
* The period of payment of the waiver lasts until 31st December 2021
* The waiver does not apply to payments and returns due from 1st January 2021 under

an enactment administered by the Commissioner-General

1. **COVID-19 Health Recovery Levy Act, 2021 (Act 1068)**
* This Act imposes a one percent levy on the supply of goods and services made in the country other than exempt goods or services; and import of goods and services other than exempt imports.
* The Levy also applies to the supply of goods subject to the VAT Flat Rate.
* The COVID-19 Health Recovery Levy is not allowable as an input tax deduction
1. **Financial Sector Recovery Levy Act, 2021 (Act 1067)**
* This Act imposes a five percent levy on the profit before tax of banks
* The tax is payable in quarterly instalments. However, for 2021, the levy is payable in three instalments commencing from 30th June 2021.
1. **Energy Sector Levy (Amendment) Act, 2021 (Act 1064):**

 This amendment has added two additional sections, **5A and 5B**

* 5A - The imposition of an Energy Sector Recovery Levy of GH¢20 pesewas per litre of petrol/diesel and 18 pesewas per kg on Liquefied Petroleum Gas (LPG)
* 5B - The imposition of a Sanitation and Pollution Levy of GH¢10 pesewas per litre of petrol and diesel respectively.
1. **Income Tax (Amendment) Act, 2021 (Act 1066)**
* This Act amends the Sixth schedule to the Income Tax Act 2015 and provides for a 30% rebate of income tax due for the second, third and fourth quarters of 2021 for taxpayers in the following areas – accommodation and food, education, travel and tours, and arts and entertainment sectors
* A suspension of quarterly income tax instalment payments for the second, third and fourth quarters of 2021 by self-employed persons applying the Income tax stamp system and owners of taxis and trotros under the Vehicle Income Tax (VIT) system
* To benefit from these concessions, the person must be registered with the Ghana Revenue Authority, made instalment payment for the first quarter of 2021 and continue to discharge any other obligation specified by an enactment administered by the Commissioner-General.

Additional information on these laws and amendments can be obtained from the GRA website.The general public including all taxpayers are entreated to take note of these laws and amendments and comply accordingly.

**COMMISSIONER-GENERAL**

[**www.gra.gov.gh**](http://www.gra.gov.gh)

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