



**REPORT OF THE FINANCE COMMITTEE ON THE
GROWTH AND SUSTAINABILITY LEVY BILL,
2022**

1.0. INTRODUCTION

The **Growth and Sustainability Levy Bill, 2022** was *presented and read the first time* in the House on 14th December 2021 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf of the Minister responsible for Finance.

The Bill was subsequently *referred* to the Finance Committee for consideration and report in accordance with Order 169 of the Standing Orders of the House.

The Committee met and considered the Bill with Deputy Ministers for Finance, Hon. Mrs. Abena Osei-Asare and Hon. John Ampontuah Kumah, the Chief Director and a team of officials from the Ministry of Finance, the Ghana Revenue Authority (GRA) and the Attorney General's Department.

The Committee is grateful to the above-mentioned Hon. Deputy Ministers, Chief Director and the team of officials of the Ministry of Finance, GRA and the Attorney General's Department for attending upon the Committee.

2.0. REFERENCES

The Committee referred to and was guided by the following documents *inter alia* during its deliberations on the Bill:

- The 1992 Constitution of the Republic of Ghana
- The Standing Orders of the Parliament of Ghana
- Interpretation Act, 2009 (Act 792)
- Public Financial Management Act, 2016 (Act 921)
- The Budget Statement and Economic Policy of the Government of Ghana for the 2023 Financial Year.

3.0. BACKGROUND

The Coronavirus Disease (COVID-19) pandemic led to a significant reduction in revenues and increased expenditure enormously. The double jeopardy of the Russian-Ukraine war has also resulted in unprecedented global crises, depreciation in currencies and impacted living conditions and inflation levels.

The Ghanaian economy has not been spared these shocks. Further interventions are required to raise additional revenue for national development and social protection for the vulnerable.

The introduction of the Growth and Sustainability Levy is part of Government's efforts to raise funds for carrying out these interventions.

4.0. OBJECT OF THE BILL

The object of the Bill is to impose a special levy to be known as the Growth and Sustainability Levy to raise revenue for growth and fiscal sustainability of the economy.

5.0. CONTENTS OF THE BILL

The Bill contains 13 clauses and a Schedule.

Clause 1 of the Bill imposes a Growth and Sustainability Levy of the percentage of the profit before tax or the percentage of production specified in the second column of the Schedule on the companies and institutions specified in the first column of the Schedule.

Clause 2 deals with the scope of application of the Levy. Under clause 3, the Levy payable is not an allowable deduction under the Income Tax Act, 2015 (Act 896).

Clause 4 limits the application of the Levy to profits before tax or production for the 2023, 2024 and 2025 years of assessment.

A person who is subject to the Levy for a year of assessment is mandated to file an estimate of the Levy payable for the year with the Commissioner-General, *clause 5*. The estimate is to be in the prescribed form and should provide other information required by the Commissioner General.

Clause 6 provides the time for payment of the Levy and *clause 7* mandates the Ghana Revenue Authority established under the Ghana Revenue Authority Act, 2009 (Act 791) to collect the Levy. The Commissioner-General of the Ghana Revenue Authority is to pay all amounts collected under the Bill into the Consolidated Fund as provided for in *clause 8*.

The provisions of the Revenue Administration Act, 2016 (Act 915) relating to collection, enforcement, refund, penalties and offences apply to the collection of the *Levy, clause 9*.

Clause 10 requires a company or institution to file returns in respect of the Levy with the Commissioner-General.

Clause 11 empowers the Minister to make Regulations to amend the Schedule.

Clause 12 provides for the interpretation of words and expressions used in the Bill and *clause 13* provides for repeal and savings.

The Schedule provides for the categories of institutions subject to the levy and the respective applicable rates of the levy.

6.0. OBSERVATIONS

6.1. Subject of the Levy

The Levy is to be imposed on profit before tax of the companies and institutions and on production in the case of mining, upstream oil and gas companies specified in the first column of the Schedule to the Bill.

6.2. Repeal of the National Fiscal Stabilisation Levy

The Committee noted that the Growth and Sustainability Levy being introduced in the instant Bill is aimed at replacing the National Fiscal Stabilisation Levy. Thus, upon the passage of this Bill, the National Fiscal Stabilisation Levy Act, 2013 (Act 862) would be repealed.

6.3. Fiscal Impact

The estimated revenue from the Levy for 2023 is approximately ***two billion, two hundred and sixteen million Ghana Cedis (GH¢2,216,000,000.00).***

The rate of the Levy is subject to review by the Minister responsible for Finance through Regulations.

7.0. AMENDMENTS PROPOSED

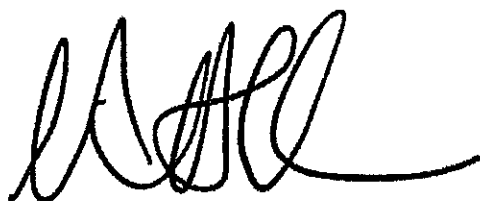
- i. **Clause 1 – Amendment Proposed** – Line 3, before “production”, *insert “gross”*
- ii. **Clause 4 – Amendment Proposed** – *Delete*

- iii. **Clause 5 – Amendment Proposed** – Subclause 1, lines 1 and 2, delete “specified in section 4”
- iv. **Clause 12 – Amendment Proposed** – Add the following new definitions
- “entity” means a company, partnership or trust, but does not include an individual;
- “gross production”** in relation to
- (a) “Petroleum” means the total amount of petroleum produced and saved without regard to any prior deductions;
- (b) “Mining” means gross revenue from the sale of minerals.

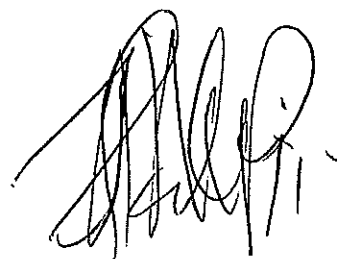
8.0. RECOMMENDATION AND CONCLUSION

The Committee recommends to the House to pass the **Growth and Sustainability Levy Bill, 2022** into law, subject to the amendments proposed.

Respectfully Submitted.



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HON. KWAKU AGYEMAN KWARTENG
CHAIRMAN, FINANCE COMMITTEE



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MRS. JOANA A.S. ADJEI
CLERK, FINANCE COMMITTEE

19TH DECEMBER, 2022