

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

REPORT OF THE
COMMITTEE ON FINANCE

ON THE

SPECIAL PETROLEUM TAX
(AMENDMENT) BILL, 2017

14TH MARCH, 2017

Acc No: 1753

Class No: BR/SPT/17

1.0 INTRODUCTION

The Special Petroleum Tax (Amendment) Bill, 2017 was presented to Parliament by the Minister for Finance, Hon. Ken Ofori-Atta and *read the first time* on Tuesday 14th March 2017. The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with article 174 of the 1992 Constitution, and Order 169 of the Standing Orders of the Parliament of Ghana. The Committee determined that the Bill was of an urgent nature and should be taken through all the stages in one day in accordance with article 106(13) of the 1992 Constitution and Order 119 of the Standing Orders of the House.

The Hon. Minister for Finance, Mr. Ken Ofori-Atta and other officials from the Ministry of Finance and the Ghana Revenue Authority attended upon and assisted the Committee in its deliberations on the Bill.

The Committee is grateful to the Hon. Minister and officials from the Ministry of Finance for attending upon the Committee.

1.1 Urgency of the Bill

The Committee determined 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 Constitution, 1992 and Order 119 of the Standing Orders of the House.

2.0 REFERENCE

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

- a. The Constitution of the Republic of Ghana, 1992.
- b. The Standing Orders of the Parliament of Ghana.
- c. Special Petroleum Tax Act, 2014 (Act 879)
- d. Interpretation Act, 2009 (Act 792)

3.0 BACKGROUND

The Special Petroleum Tax Act, 2014 (Act 879) was passed in 2014 to help shore up government revenue from taxation. Presently, Government intends to reduce the tax burden imposed on taxpayers and to provide some relief to the users of petroleum products in the country, hence the introduction of this Bill.

4.0 PURPOSE OF THE BILL

The object of the Bill is to amend the Special Petroleum Tax Act, 2014 (Act 879) to reduce the rate of the Special Petroleum Tax on petroleum products specified in the Schedule to Act 879 from seventeen and a half percent (17.5%) to fifteen percent (15%).

5.0 CONTENT OF THE BILL

The Special Petroleum Tax (Amendment) Bill, 2017 contains one clause. The clause amends Act 879 by the substitution for section 2 thereof of the following:

“Rate of tax

2. The rate of the tax is fifteen percent, to be calculated on the ex-depot price of the petroleum product.”

6.0 OBSERVATIONS

6.1 Revenue Impact

As to how much this reduction of tax would impact revenue generation, the Minister for Finance informed the Committee that the Ministry estimates a revenue loss of about two hundred and forty-three million (GH¢243 million). He further explained that government intends to make up for this loss through enhanced method of revenue collection.

7.0 CONCLUSION

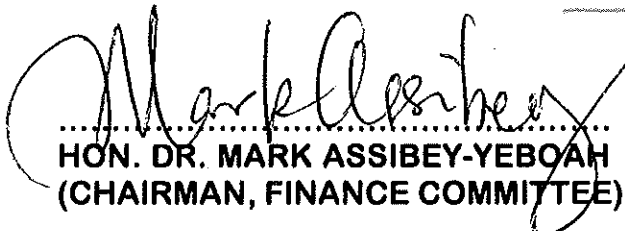
The Committee upon carefully examining the Bill, finds that its passage would reduce the tax burden on petroleum consumers and give impetus to Government's policy of directing petroleum prices in the downward direction.

The Committee therefore recommends to the House to adopt this report and pass the Special Petroleum Tax (Amendment) Bill, 2017 into law in accordance with Article 106 of the Constitution and the Standing Orders of the House.

The Committee further recommends that the Bill be taken through all the stages in one day in accordance with Order 119 of the Standing Orders of the House.

Respectfully Submitted.

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


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