

CHAPTER ONE

1.0 INTRODUCTION

This chapter is the beginning of the five chapters of this piece of work. It is organized into the background of the study, statement of the problem, purpose of the study/ research objectives, research questions, significance of the study, limitations, delimitations and organization of the study.

1.1 BACKGROUND OF THE STUDY

Policymakers from the advent of income tax have recognized the need to protect from tax some minimum amount of income that could be used for the support of the taxpayer and those who depend on him.

The device used to accomplish this objective is the deduction allowed for exemptions. Under the provision of Act 592, all income, benefits or all owners earned by an employee from an employment service should be subject to tax, irrespective of whether the benefit was paid in cash or in kind. However, some benefits and allowances whether paid in cash or in kind are exempted from tax under employment income tax rule. Tax reliefs popularly known as personal allowances are intended to adjust the income tax liability of a taxpayer so as to reflect his or her personal circumstances.

According to Randolph Nsor- Ambala(2008) “personal reliefs are allowable deductions that resident individuals and employees are entitled to once they meet a preset criteria.”

The provisions in the Act 592 therefore make it a right to the individual to file for such reliefs to be allowed. The problem here is how many public sector workers are aware of these allowable exemptions? How many times have they been granted these allowances? Is it because they are ignorant of their right? Or they just do not want it at all? It was on this premise that the researchers decided to research into the problem and find out possible solutions to curb it.

1.2 STATEMENT OF THE PROBLEM

Granting of a relief in a form of allowances to the worker serves as a great source of motivation to him/her. To increase productivity in the field of work is not solely based on the application of theories but rather to implement issues that motivate the worker to put in his or her maximum best. One way of doing this therefore is to let the worker know what is due him or her in terms of reliefs.

From the above stated facts, there is therefore the need to find out the relevance and extent to which public sector workers understand what tax reliefs are and the various forms of exemptions that an individual Ghanaian public sector worker is entitled to.

1.3 OBJECTIVES OF THE STUDY

The objective of this study is to examine;

- The extent to which individual Ghanaian public sector workers understand tax reliefs.
- Whether the individual worker knows the various forms of tax exemptions.
- The ways through which one can file for allowable exemptions.

1.4 RESEARCH QUESTIONS

- What are tax reliefs?
- What are the various forms of exemptions that an individual public sector worker is entitled to?
- How can one file for allowable tax exemption?

1.5 SIGNIFICANCE OF THE STUDY

The research focused on public sector workers and the extent to which the issues of tax reliefs are understood by them. The work would enlighten public sector workers on their rights to tax reliefs. It will also help policymakers to delve into other areas where possible reliefs can be granted. Workers knowing their basic employment rights would be able to file for their due allowable reliefs in due time. The Government and other stakeholders may also make use of the work in their planning of finances in terms of budgetary allocation.

1.6 LIMITATIONS

The study could have covered a wide range of districts but the researchers were limited on various grounds. Among these were; time, the researchers could not have enough time to undertake the research in other districts, municipals and metropolitan assemblies in order to be able to make a generalized conclusion. Financially, studies of this sort demands sponsorship both in kind and in cash. Since all the researchers were undergraduates and for that matter, students, enough funds were not available to undertake the study. The researchers were also limited on the relevant sources of information to undertake the study. They had to make do with the library, the internet and the respondents alone.

1.7 DELIMITATIONS/SCOPE

The study was conducted only at the Amansie Central District in the Ashanti Region alone. Hence the findings were limited to the views of the respondents in that district.

1.8 ORGANIZATION OF THE STUDY

The study was organized into five chapters.

Chapter one being the proposal highlights on the introduction of the work which included the background of the study, statement of the problem, objective of the study, research questions, significance of the study, limitations and delimitations of the study.

The chapter two reviewed the various literatures on the study. The chapter three focused on the research methodology which describes the research design, tools for data collection, respondents, sampling and sampling techniques, data collection procedures and data analysis. Chapter four on the other hand dealt with the data presentation, analysis of data received and discussion.

The last chapter which is chapter five gave the summary of the findings made, the recommendations and conclusion and finally the various reference materials and appendices.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

The essence of this research is to put the concept of taxation in the perspective and to stress the importance of tax reliefs deem to workers in Ghana specifically workers in Education, Health and the Police service in the Amansie District basically Jacobu District Assembly.

One may ask what is tax and tax incentive or relief. A tax is a compulsory levy imposed by authority of the law making body of a country or by the decree that is enforceable by law. In Ghana, a tax is a compulsory levy on a person imposed by an enactment of the parliament of Ghana.

2.1 HISTORY OF TAX IN GHANA

The history of taxation in Ghana is dated as far back in 1799 when William Pitt then prime minister of Britain introduced income tax to help finance the war with Napoleon Bonaparte of France.

In Ghana, taxation started in the form of customs duty in 1850. It was levied on imported goods at the rate of 1/2% ad valorem .In 1852 poll tax was introduced in Ghana , then Gold Coast. This was one shilling per head for every man, woman or child living within the British protected areas. By 1854 the people had grown hostile to the system and refused to pay. Demonstration and riots ensued which led to series of confrontations with the British Authorities.

The system was discontinued. In September 1931 Governor Sir Ransford Slater attempted to introduce income tax but had to back out to stiff opposition he encountered from members of the Legislative Assembly.

He imposed a tax on cocoa exports but due to declined in cocoa in the second world war other alternative method was introduced during Sir Allan Burns term of office . However by 1943 as a result of the Second World War demand for cocoa declined. Government had no other alternative than to introduce income tax in the Gold Coast in 1943. This was during the era of Sir Allan Burns.

The first piece of tax legislation in the Gold Coast (now Ghana) was income tax ordinance (1943), Ordinance No. 27 as pointed out by Vol. 1 of Andah (1987). Many amendments however were made to Income Tax Decree (1975) SMCD 5 to the present internal revenue act 2000 as amended.

Profession and vocation should be construed in their ordinary meaning. Profession refers to intellectual or specialized skills such as Law, Medicine and Accountancy whilst vocation is the semi-skilled or the way a person earns his living such as carpentry, dressmaking, traditional healing and photography. The above was cited in Aryee's "Notes on Ghana income tax (15th ed)". Citizens all over the world have to meet their tax obligations and for that matter, sole proprietors, though confronted with many problems have to pay tax.

In “ Taxation in Sub-Saharan Africa”, Aguirre et al observed that, tax laws in Sub-Saharan Africa are based on European models that often have erroneous implicit assumptions regarding the structures of society and economy and capabilities of tax payers and tax administrators. It is therefore of immense interest for tax laws to be made taking into consideration the society aspirations, understanding and educational background for easy collection.

The Income tax decree (1975) states that, gain or profit from any trade, business, profession or vocational practiced or carried out among others are subject to tax. Andah in “Ghana income tax law and practice” admitted that it is difficult to define accurately expression of trade. He however, gave a list of issues that have to be examined before concluding whether a trade has taken place or not. Some are;

- a) The number of transactions
- b) The interval between purchase and sale
- c) The income of the asset
- d) The existence of a profit seeking motive

He however said that, the above issue is not conclusive on its own and have to be guided by case laws before conclusions are drawn. He however called them badges of trade.

2.2 RELIEFS

According to Act 592, reliefs may be described “as statutory deduction from assessable income in ascertaining the chargeable income of an individual”.

Reliefs may be described as statutory deductions from assessable income in ascertaining the chargeable income of an individual. They are granted on annual basis. According to section 39, 57 and 60 of the act 592, personal reliefs are allowable deductions that resident individual meets the criteria set for a relief, he is allowed a deduction for the reliefs against his total emolument. Personal reliefs under Act 592 can be broadly categorized into two. These are:

- Reliefs that can be granted upfront
- Reliefs that cannot be granted upfront

In calculating an employee's tax liability from employment income, the employer is allowed to grant certain deductions as reliefs. Other reliefs, however, would still need an application to the year of assessment when the employee files his tax returns.

Reliefs that can be granted upfront by the employer include the following;

- Marriage allowance
- Child education allowance
- Old age reliefs
- Disabled relief
- Life insurance relief
- Employee social security contribution

All other relief can only be granted after the filling of tax return at the year of assessment to which the relief relates. These include:

- Dependent relatives relief
- Cost of training

The basis for the categorization of reliefs into reliefs that are allowable upfront and those allowable at end of the year is the ease with which the employer can verify whether a person meets the criteria for the granting of the reliefs in question. Such verification should not impose extra burden on the employer with regard to cost, time, and other resources.

For example, it is quite easy for an employer to verify whether an employee is married or not. This indeed forms part of the information that employers gather on their employees and update on a regular basis. In the same manner it is quite easy for an employer to verify the age of an employee or whether the employee has a disability. It would, therefore, be very easy and convenient for the employer to grant these reliefs in the computation of the employee's tax liability.

In the same regard, it would be quite difficult for an employer to verify whether an employee genuinely has a dependant relative. The apparatus for verification may impose extra cost on the employer, which he might be unwilling to bear. Due to this, reliefs such as dependent relative cannot be granted upfront by the employer before the filling of an annual tax return by the employer.

2.3 TYPES OF PERSONAL RELIEFS

In calculating the assessable income of an individual for each year of assessment, the following personal reliefs according to the Act 592 must be treated as allowable deductions based on whether the individual meets the criteria established by the Act for the relief in question. Personal reliefs under Act 592 were reviewed in November, 2011.

2.3.1 Marriage Relief/ Child Dependency Relief

An individual subject to tax under Act 592 is allowable a deduction of GH¢100 of cedis, for each year of assessment if he has a dependent spouse or at least two dependent children. An individual can either claim marriage allowable or child dependency allowable but not both in any year of assessment. Again, only one partner in a marriage can be granted a relief for marriage allowance for any year of assessment.

Often, one partner claims for the marriage and the other partner claims for the dependent children. In summary an individual is entitled to marriage allowance if the individual meet at least one of these criteria;

- Is married and can provide evidence of his or her marriage with a registered marriage certificate.
- Has at least two dependent children and can provide evidence with a registered birth certificate.

A dependent child, spouse or relative, in respect of an individual, is a child, spouse or relative for whom the individual provides the necessities of life.

2.3.2 Disabled Person Relief

A disabled person, who earns an income from an employment or business, for any year of assessment, is entitled to an allowable deduction of 25% of his total income from employment or business but not on income from investment.

2.3.3 Old Age Relief

An individual who is sixty years of age or more and earn an income is entitled to an allowable deduction, for each year of assessment, of lesser of GH¢100 or his total income from any business and employment but not from investment. This means that income from a business or employment of an individual above 60 years of age will not be taxed if it is less than GH¢100.

2.3.4 Child Education Relief

An individual who sponsors or bears the cost of education of his/her children or wards is entitled to an allowable deduction of GH¢200 per child or ward for each year of assessment.

However, to qualify,

- For each individual, the relief can only be granted for up to three children. That is the maximum amount allowable per individual is $100 \times 3 = \text{GH¢}300$.
- The children being the reason the relief is being sought should be in a recognized registered institution in Ghana (and not abroad) other than a tertiary education institution.
- Two or more individuals cannot seek the same relief in respect of the same child or ward. Only one individual can be granted a relief in respect of a specific child or ward.

2.3.5 Dependent Relative Relief

An individual with a dependent relative, other than child or spouse, can claim an allowable deduction of GH¢50 for each year of assessment provided the following criteria is met.

- The dependent relative should not be a child or a spouse of the individual.
- The dependent relative should be sixty years of age and above.

- The relief can only be granted for up to two dependent relative. That is, the maximum amount allowable, per individual for each year of assessment $100 \times 2 = 200$
- Where two or more individuals qualify to claim a relief in respect of the same dependent relative, the relief can only be granted to one of the individuals. That is, for each dependent relative, only one individual taxpayer can claim a relief.

2.3.6 Training and Development Relief

Where an individual incurs a cost in updating his profession, technical or vocational skills or knowledge through, development or further education, that individual is entitled to an allowable deduction equal to lesser of the cost of the training or further education that does not lead to the award of a degree.

2.3.7 Life Assurance Relief

Where a resident individual takes a life insurance on his/her life and makes a contribution by way of insurance premium to a life insurance business in Ghana, that individual is entitled to an allowable deduction for each year of assessment equal to the insurance premiums paid provided that the insurance premium is paid in Ghana cedi.

However, the amount allowable as a deduction for insurance premiums paid, against assessable income, should not exceed the lesser of:

- The actual premiums paid
- 10% of the sum assured, or
- 10% of the individual's total assessable income for the year.

Life insurance relief can be granted, upfront to employees provided that

- The premiums are paid during the year by the employee, provides the employer with a copy of the receipt, or
- The premiums/contribution is paid or is to be paid during the year by the employer on the employee's behalf

Where the employer has to grant this relief upfront (based on the tax relief card submitted by the employee to the employer), it would be difficult for the employer to estimate the assessable income of the employee in a verifiable manner.

This obviously introduces a constraint in determining the amount allowable to the employee bearing in mind that the allowable deduction for premiums paid under a life insurance scheme requires a comparison between the annual premiums paid under a life insurance scheme requires a comparison between the annual premiums paid, 10% of the sum assured and 10% of the sum assured and 10% of the total assessable income of the employee from business, investments and employment.

To resolve this issue, the employer is allowed to calculate the total income of the employee as though the only income derived by the employee is qualifying employment income from the primary employment of the employee. The same assumption is allowed for computing allowable deductions for contributions made to the social security pension scheme. The employee in his annual tax returns could, however, claim the difference based on the correct computation of his actual assessable income.

2.4 FILLING FOR A RELIEF

Every resident individual with tax is entitled to personal relief under section 39 of Act 592 according to his personal circumstances. These reliefs, apart from the basic nil or 0% rate included in the individual tax rate structure, are granted at the end of each year on filling a return. Regulation 32 of the Internal Revenue Regulations, 2001 now empowers the Commissioner to grant these reliefs up front. The process may be outlined as follows:

- The employee is to apply for a tax relief's card from the Commissioner indicating his personal circumstances.
- He is to support his application with the necessary documents confirming his claims for example, Life insurance certificate if any, letter from the school or receipts confirming children's education etc.
- The Commissioner is to calculate the quantum of the reliefs to be granted and return the certified tax relief card to the employee.
- On receipt of the tax relief card, the employee is to hand it over as soon as possible to the employer who will use the information on it to determine the chargeable income and the tax to be withheld each month.

2.5 TAX RELIEF CARD

To be granted any tax relief of any form, an employee is required to apply to the commissioner on a prescribed form, in a manner that the commissioner may determine. The commissioner may then issue the employee with a tax relief card certifying the personal reliefs that the employee in question is entitled under act 592 for one or more years of assessment. The employee is supposed

to submit the card to the employer for his primary employment. The employer would grant him certain reliefs upfront based on the certified reliefs on the tax relief card.

The primary employment of an employee for year of assessment is the employment in respect of which the employee has issued an employer with a declaration nominating the employment in question as the employee's primary employment for the year of assessment.

The Declaration:

- Must be in a form prescribed by the commissioner
- Must be signed and dated by the employee and the employer
- May relate to one or more years of assessment

An employee still reserves the right to withdraw any nominated of an employment as his primary employment, but this withdrawal can only be done at the end of a year of assessment. However, if the employment in relation to which an employee exercise his primary employment ceases during a year of assessment (such as a company winding up), and after the cessation that employee provides another employer with his tax relief card, the new employer become the employee's primary employer and, therefore, the new employment his primary employment.

Before submitting the tax relief card to the new employer after cessation of the first employment, the old employer must fill out the relevant sections of the tax reliefs' card with some required information and return the card to the employee. The information required from the employer includes the following:

- The amount of qualifying employment income derived by the employee from the employment for the year to the date the employment ceases.
- The amount of tax withheld within the year of assessment up to the date of cessation of employment, excluding withholding taxes on bonuses and overtime payments, from payments made by the employer to the employee in respect of the employment relationship that exist.
- Any other information that the commissioner may require.

An employee is only allowed under the Act to have one primary employment at any one time; all other employments would be classified as secondary employments.

2.6 CONCLUSION

Reliefs are therefore intended to reduce the assessable income of an individual according to his personal circumstance so as to maintain vertical and horizontal equity in the tax system. They are available to all individuals and not restricted to employee only. A formal application should be made by the completion of a personal return form.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

Under this chapter , the researchers gave an account of the methodology adopted in conducting the study ,and the sampling procedure, the research design , the population , instrument for data collection , data collection procedure and data analysis plan.

3.1 STUDY TYPE

The study was both quantitative and qualitative research. Quantitative research involves gathering data that is absolute, such as numerical data, so that it can be examine as unbiased manner as possible (Mason et al., 1917). There are many principles that go along with quantitative research, which help promote its supposed neutrality.

The objective of quantitative research is to develop mathematical models and formulate theories, and employ the same to get the end results. This method focuses in the investigation of quantitative properties and the phenomenon, as well the relationship between the two. This form of research relies more on quantity and numbers, than on quality and details.

3.2 RESEARCH DESIGN

There existed a number of research design at the disposal of the researchers to select from in conducting this study. However, to achieve an optimum and reliable information in view of this work, the researcher chose case study as the most appropriate design.

By this design, the researchers hope to achieve a wider range of views, opinions as well as thoughts so as to affect a formidable and reliable results and generalization.

3.3 POPULATION

The population for this piece of work was the public service workers at the Amansie Central District in the Ashanti Region of Ghana. However, it was catalogued under teaching staff of the Ghana Education Service, staff of the Ghana Health Service (GHS) and finally staff of the Ghana Police Service (GPS).

3.4 SAMPLE AND SAMPLING PROCEDURE

In selecting the sample, the researchers took into consideration, lots of factors. The reasons being that, every research work must be free from bias and of fair representation of the larger targeted group. Large sample size of hundred 100 respondents were selected for the study. Below is the detailed categorization.

In all, sixty (60) respondents were selected from the Ghana Education Service (GES), Twenty five (25) from the Ghana Health Service GHS and fifteen (15) from the Ghana Police Service GPS in the District under strictly.

3.5 SAMPLING TECHNIQUE

In selecting and choosing the respondents, numbers were written on pieces of papers folded and mixed in a basket. Personnel of the District Education were called on to pick from the basket to prevent any form of bias. This activity was performed to select various schools from which teachers were drawn to respond to the questionnaires. This was because, there were lots of

schools available to select respondents from. This district at the time of this piece of work had only one Police station and a hospital. Hence, the selection of respondents from these two areas was not a problem.

3.6 INSTRUMENTS FOR THE DATA COLLECTION

Questionnaires and interviews were used as research instruments to elicit information from the respondents, the questionnaire was made up of an introduction part and two other parts namely A and B. The introduction was a short preamble explaining the purpose of the study. The section A of the second part asked for basic information about the respondents

The section B of the second part was made up of ten (10) scale type question and respondents were required to tick and to provide short answers as appropriate. This was followed by a portion for respondent general comment.

The choice of this survey method is based on the following:

- It is less expensive as the questionnaire can be sent through mail
- Questionnaires would produce quick results and cut down time used for the study
- This instrument of data collection is very convenient as respondents could complete the questionnaire on his/her own convenient time
- It also ensures greater anonymity, thus the questionnaire has greater impersonality, elicit more candid and more objective response

Questionnaires however have limitations of not permitting probing, prompting and clarification of questions especially when respondent is in difficulty. Secondly, the identity of the respondents

and conditions under which the questionnaire was answered are not known. Aside using questionnaire as main instrument of data collection, interviews were conducted for the three persons from each sector. The population sample was visited and the purpose of the study explained to them. The questionnaires would be administered whilst interviews was also conducted for the internal revenue staff at the appointed date.

3.7 DATA COLLECTION PROCEDURE

The procedure for collecting the data from the population involved going to the respondents at their various work places to administer the questionnaire. The respondents were given enough time to answer the questionnaire. As the researchers were distributing the questionnaires and explaining the rationale behind the project, the researchers took the opportunity to observe a lot of things at all the places visited. An introductory letter was collected from the head of business department introducing us to the various sectors of the study.

3.8 DATA ANALYSIS PROCEDURE

The responses of the questionnaire were counted, recorded and scored. The results were presented in the form of frequency table showing the frequencies of the responses to items in the questionnaires.

3.9 ETHICAL CONSIDERATIONS

The researchers formally sought the consent of all respondents and observed all relevant protocols. A formal letter was sent to the three institutions by the researchers from the Christian Service University College (CSUC), to inform the authorities of the various institutions about the researchers' interest to conduct a study in their institutions.

The researchers ensured that information received from respondents was treated with a high level of care and confidentiality. The identities of key informants were not disclosed in the report since the research was to appraise what pertains to the topic under study and not to use personal opinions of individuals.

3.10 PROFILE OF THE STUDY AREA

Amansie Central District is located in the southern part of the Ashanti Region; the District is one of the twenty-seven (27) Administrative Districts in the Ashanti Region and one of the 28 newly created District Assemblies in the country, and was established by Legislative Instrument (LI) 1774, 2004. It has about 206 settlements with Jacobu as the Administrative capital. The District can be found within Latitude 6000N and 6030N and Longitude 1000W and 2000W. The total landmass of the District is about 710 square kilometers with a population of about fifty thousand. It shares common boundaries with Bekwai Municipal formerly Amansie East to the north east, Amansie West to the west, Adansi North to the east, Adansi South to the south and Upper Denkyira in the Central Region to the south.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 INTRODUCTION

This chapter focused on the analysis and discussion of the data collected for the study. The results of the data were presented to reflect the research questions.

4.1 ANALYSIS OF RESPONSES

In all, one hundred questionnaires were given out. This aim was to find out the relevance of tax reliefs to the public sector worker. Out of the hundred (100) questionnaires, sixty (60) were given out to the Ghana Education service, twenty (25) to the Ghana Health Service and the remaining fifteen (15) to the Ghana Police Service all at the Amansie Central District of the Ashanti Region of Ghana. The table below depicts the three (3) chosen sectors representation and table 2 on the other hand presents gender representation

Table 1

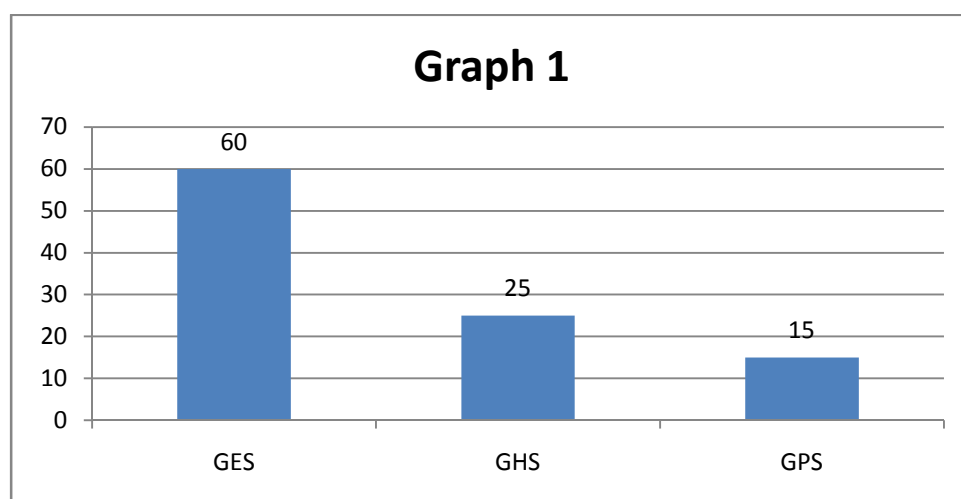
Sector responses

Sector	Number of Respondents	Percentage (%)
Education	60	60
Health	25	25
Police	15	15
Total	100	100

SOURCE: Research Field, May 2012.

From the table above ,it is clearly seen that, sixty (60) respondents representing 60% of the total questionnaires administered were from the personnel of the Ghana Education Service (G.E. S), twenty five (25) respondents which also represents 25% of the hundred questionnaires administered were from the personnel of the Ghana Health Service (G.H.S) .Fifteen (15) of the respondents were from personnel of the Ghana Police Service (G.P.S) and this represent s 15% of the total questionnaires administered as shown above

Graphically, the above information can be presented as seen, in the graph below,



SOURCE: Research Field, May 2012.

Table 2

Gender responses

Gender	Respondents	Percentage (%)
Male	50	50
Female	50	50
Total	100	100

SOURCE: Research Field, May 2012.

From the table above it is clearly seen that, the issue of gender disparity was not of context and as such information provided were evenly solicited

4.2 ANALYSIS OF GHANA EDUCATION SERVICE RESPONSES

The first group contacted was personnel from the Ghana Education Service (GES) to find out their personal view on the topic under investigation. In all sixty (60) questionnaires were given out and respondents were assisted to provide appropriate answers to the questions asked. Ten questions were asked and below were the responses from the various respondents.

Table 3

Responses to whether respondents have any knowledge about tax reliefs.

Response	Number of Respondents	Percentage (%)
Yes	8	13.3
No	52	86.7
Total	60	100

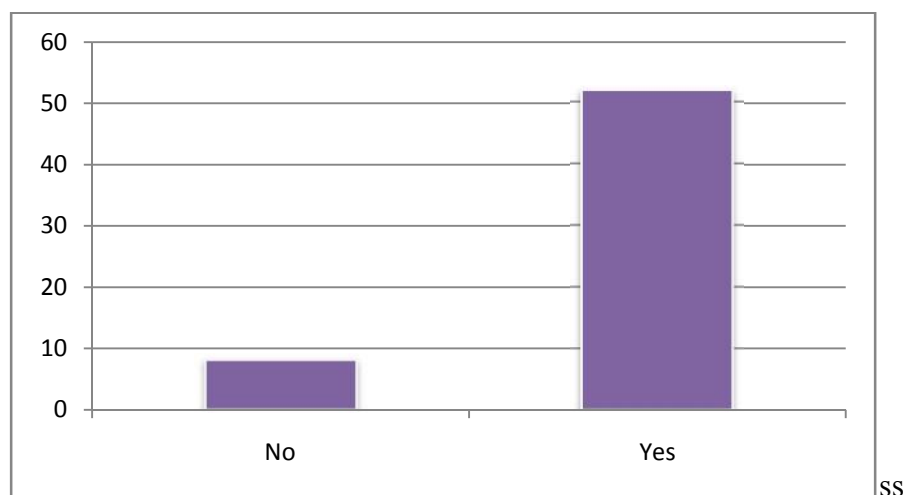
SOURCE: Research Field, May 2012.

The table above shows clearly that, out of the sixty (60) respondents, only eight (8) representing just 13.3% responded yes to the question asked. The remaining 52 which represent 86.7% had virtually no knowledge about personal tax reliefs due to this , the 52 respondents provided no answer to questions , two (2) and five (5) since these two question related to the question one (1) presented above.

Out of the eight (8) respondents who responded yes to the question above, only three (3) were able to define tax reliefs in their own words as asked in question two (2)

Graphically, the responses above are represented below;

Graph 2



SOURCE: Research Field, May 2012.

Table 4

Responses to how often taxes are paid.

Response	Number of Respondents	Percentage (%)
Sometimes	Nil	0
Every month	55	91.7
Every year	Nil	0
Once a while	Nil	0
Undecided	5	8.3
Total	60	100

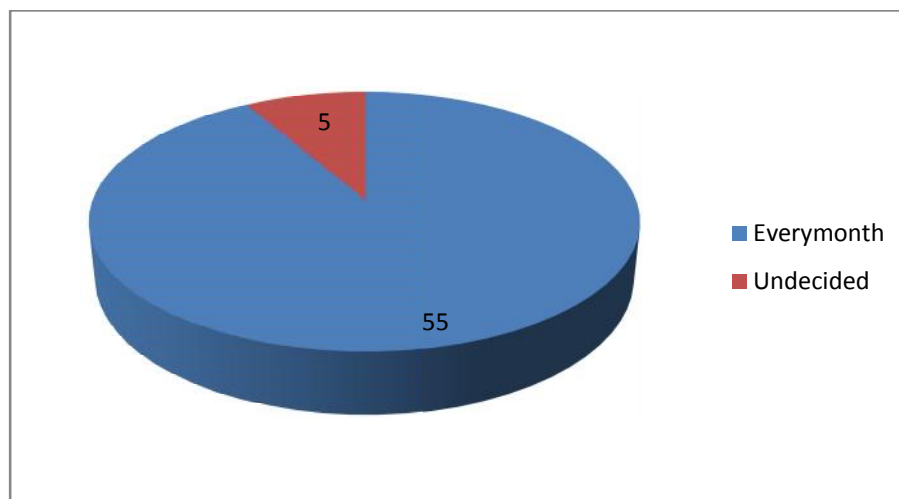
SOURCE: Research Field, May 2012.

The table above shows that, out of the sixty (60) respondents who were presented with the questionnaires, 55 of the respondents representing 91.7% responded that they pay their taxes every month .Five (5) respondents as of the time the questionnaires were being collected had not decided on the regularity of their tax payment.

No one responded to neither sometimes nor every month as well as once a while

To further throw more light on the above information, pie chart was used to present clearly the above information as seen below.

Figure 1



SOURCE: Research Field, May 2012.

From the above figure, it can be boldly concluded that, with issues relating to tax payment, personnel of the Ghana Education Service do very well. This is because a large portion of the figure above, representing 330 of the chart responded that they pay their taxes every month and this therefore implies that personal tax reliefs should have been done in a similar manner. This could be as results of the taxes being deducted at source before the salary finally gets to the workers.

Table 5

Responses to the number of times workers have filed for tax reliefs

Response	Number of Respondents	Percentage (%)
Once	6	10
Twice	2	3.3
Very often	–	–
Every year	–	–
Not at all	46	76.7
Undecided	6	10
Total	60	100

SOURCE: Research Field, May 2012.

The table above depicts that, on the question of how often workers pay their taxes, six (6) respondents representing 10% of the people responded both at once and undecided. A whopping 76.7% which represents forty six (46) of the total respondents indicated clearly from the above data that they have never filed for a personal tax relief at all. Some of the reason given was that, they are either not aware of the existence of such facility or they are just not interested in filing for a relief since the process is so cumbersome and the institutions responsible for collaborating are not corporative.

4.3 ANALYSIS OF GHANA HEALTH SERVICE RESPONSES

The second group contacted was personnel from the Ghana Health Service (GHS). The aim was to find out if they had similar or contradictory views to the responses of that of the Ghana Education Service (GES) concerning the issue under investigation.

Table 6

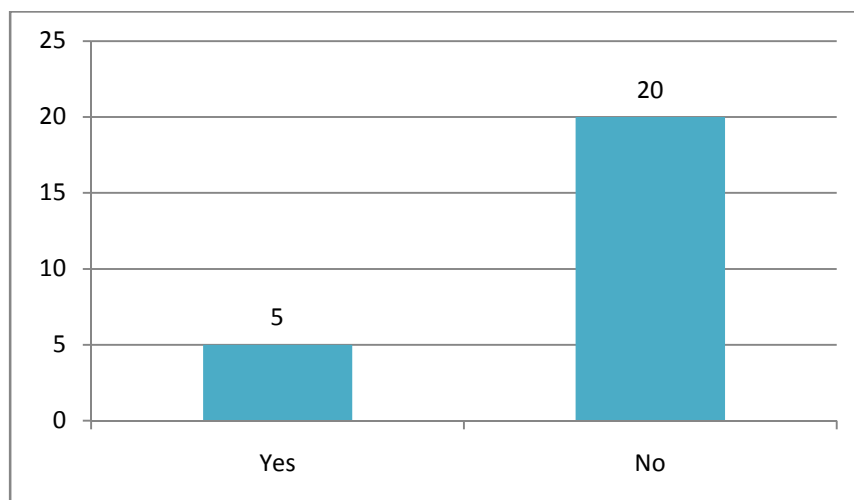
Responses to whether respondents had any knowledge about tax reliefs.

Response	Number of Respondents	Percentage (%)
Yes	5	20
No	20	80
Total	25	100

SOURCE: Research Field, May 2012.

The above table portrays that, out of the twenty five (25) questionnaires administered at the Ghana Health Service in the Amansie Central District assembly, five (5) representing 20% responded yes to the question. This means that these respondents were fully or partially aware of the existence of the personal tax relief. The remaining twenty (20) respondents presenting a whopping 80% of the total questionnaires administered responded that they had no knowledge about the existence of personal tax reliefs. The analysis is clearly depicted by the graph below;

Graph 3



SOURCE: Research Field, May 2012.

Out of the five (5) people who responded to the question above, all of them were in their words able to define what tax relief is .They went further stating some of the reliefs they know and how it has benefited them.

The question here was , how then are some of their colleagues not aware and that have no knowledge as to whether such facility exists or not .The reasons given included, some of their colleagues just satisfied with what they receive, here is no formal education to sensitize workers on the availability of such facility, the process of filing is very cumbersome and as such deters colleagues from “wasting” their time chasing for these reliefs , and finally, the amount involved is insignificant for one to spend his time filing for it

Table 7

Responses to how often taxes are paid.

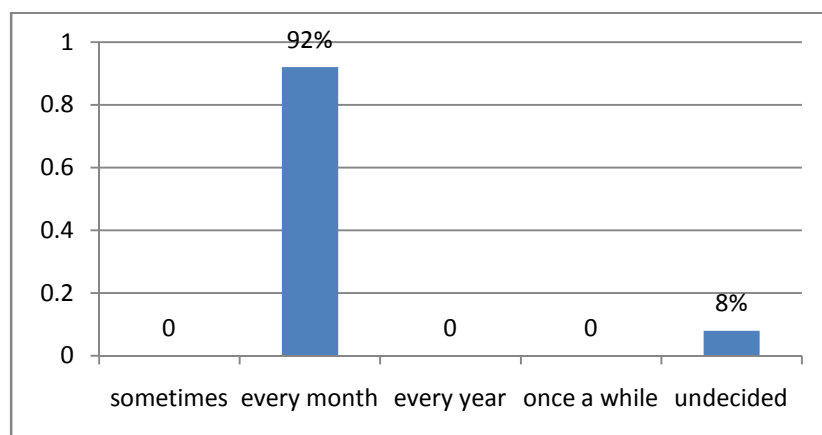
Responses	Number of Respondents	Percentage %
Sometimes	-	-
Every month	23	92
Every year	-	-
One a While	-	-
Undecided	2	8
Total	25	100

SOURCE: Research Field, May 2012.

From the above table, it is seen that out of the twenty five (25) respondents, twenty three (23) which represents 92% answered that their taxes are paid every month. Only two (2) persons did not attempt the question. Those who said their taxes are paid every month gave a reason that, they do not get access to the whole salary before it is paid and that the taxes are deducted at

source before the net salary is paid to them. They therefore suggested that, if taxes are deducted at source, the reliefs too should be granted at source without one necessarily filing for it.

Graph 4



SOURCE: Research Field, May 2012.

Responses

Only two responses were graphed as seen above. This was due to the fact that no respondent chose any of the other responses that is presented in table 7 above.

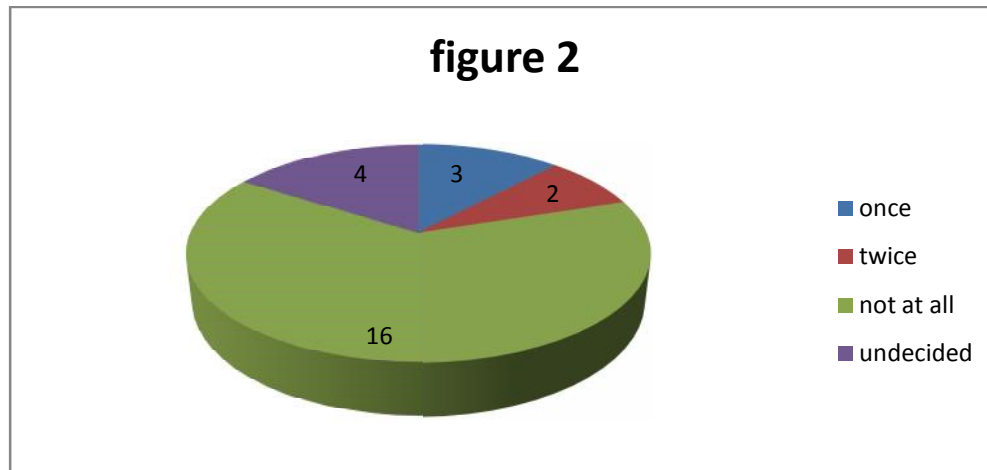
Table 8

Responses to the number of times workers have filed for tax reliefs.

Response	Number of Respondents	Degree
Once	3	$3/25 \times 360 = 42.2$
Twice	2	$2/25 \times 360 = 28.8$
Very often	-	-
Every year	-	-
Not at all	16	$16/25 \times 360 = 230.4$
Undecided	4	$4/25 \times 360 = 57.6$
Total	25	360

SOURCE: Research Field, May 2012.

The degree of responses as shown above is depicted clearly by the figure below;



SOURCE: Research Field, May 2012.

From the above figure, three (3) respondents which represent 43.2 as shown in the figure said they have filed for tax reliefs for only once. When they were asked whether they were granted what they filed for or not, they said no because they did not bother to do any follow-up. Two(2) of them representing 28.8 as shown in the figure above responded that they have filed for the facility two times and that nothing good came out of each of the filings. Four (4) respondents which also represent 57.6 as shown in the figure presented above had not decided at the time the questionnaires were being collected.

Out of the twenty five (25) questionnaires administered, a whopping sixteen respondents which represents 230.4 responded that they had never filed for the facility before and that they were not even aware of the existence of such facility.

4.4 ANALYSIS OF THE GHANA POLICE SERVICE RESPONSES

The Ghana Police Service (GPS) was the last group to contact with Ghana Education Service (GES) and the Ghana Health Service (GHS).

In all, fifteen (15) out of the hundred questionnaires were administered at the Ghana Police Service alone.

Table 9

Responses to whether respondents had any knowledge about tax reliefs.

Response	Number of respondents	Percentage %
Yes	2	13.3
No	13	86.7
Total	15	100

SOURCE: Research Field, May 2012.

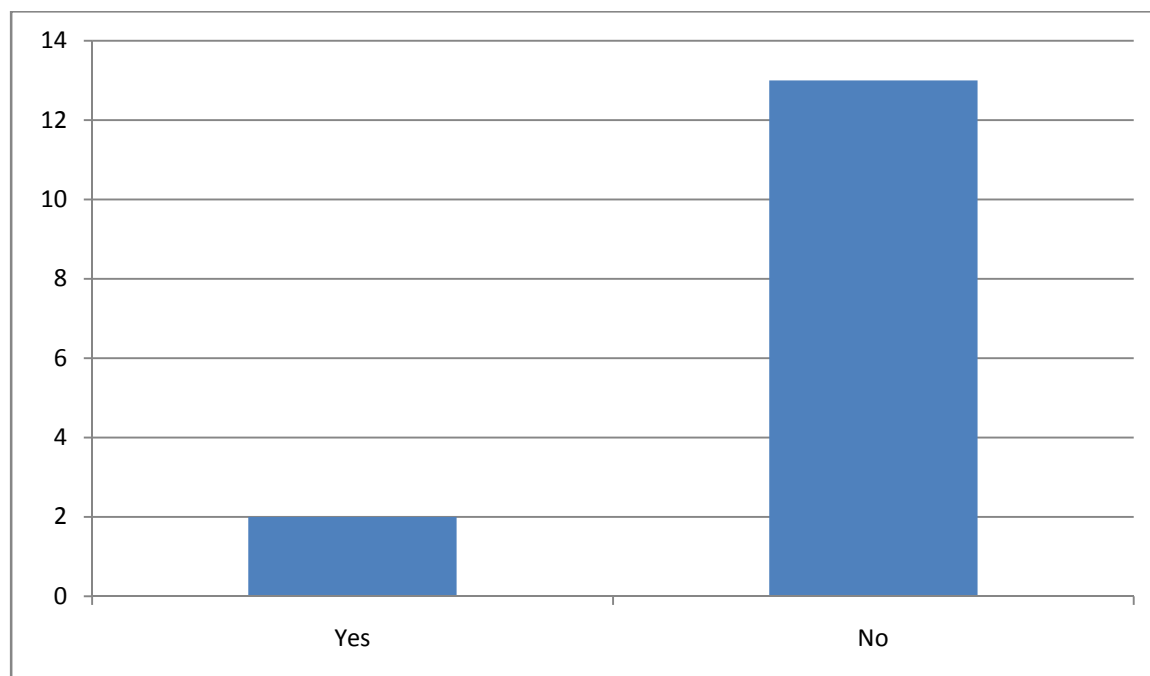
Table 9 above shows that out of the fifteen (15) questionnaires administered at the Ghana Police Service (GPS), in the Amansie Central District of Ashanti Region- Ghana, two (2) respondents which represents just above 13% responded that 7 had some knowledge about what tax reliefs were, in their own words they were able to provide short definition to tax reliefs as asked in number two (2) of our questionnaires.

What was very surprising here was that out of the fifteen (15) respondent, thirteen (13) as seen in the above table responded that they had no knowledge about tax reliefs and for that matter could not provide us with a simple definition to what tax reliefs were. This group represents 86.7% of the total questionnaires administered at the Ghana Police Service (GPS).

The above analysis shows clearly that the Ghana Police Service had virtually no knowledge of the existence of personal tax reliefs. This is because those who even responded yes concluded that though they had heard of it but had never benefited from it.

The percentages of the responses given were graphed as follows;

Graph 5



SOURCE: Research Field, May 2012.

Responses

Table 10

Responses to how often taxes are paid.

Responses	Number of Respondents	Percentage %
Sometimes	-	-
Every month	10	66.7
Every year	-	-
Once a while	-	-
Undecided	5	33.3
Total	15	100

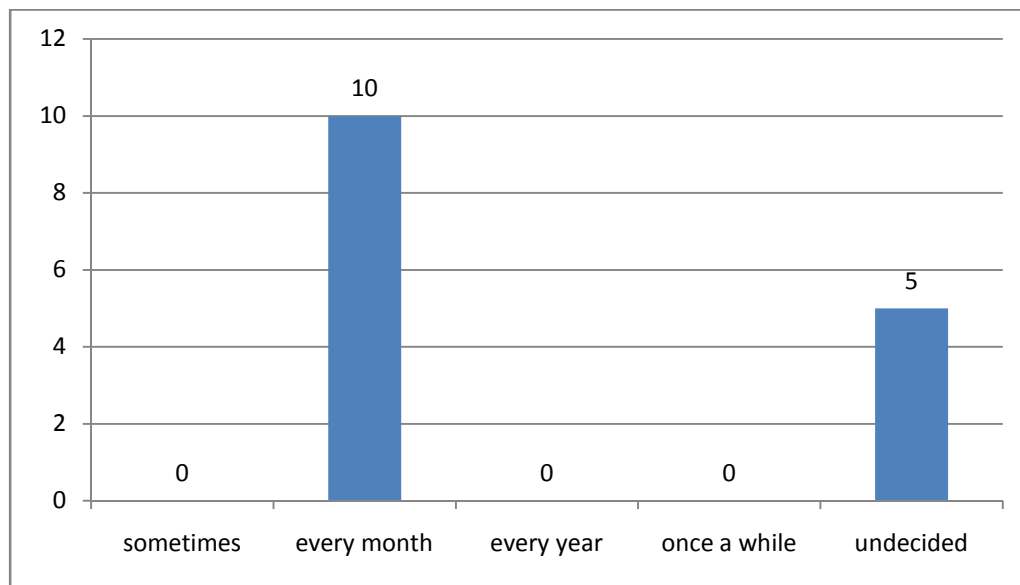
SOURCE: Research Field, May 2012.

The above table gives similar responses to what has been discussed on both the responses of the Ghana Education Service (GES) and the Ghana Health Service (GHS). Ten (10) out of the fifteen respondents which represents 66.7% said their taxes were paid every month. The reason given was that; they see taxes being deducted on their pay slips every month.

Five of them which represents one-third ($1/3$) and 33.3 in percentage had not decided as at the time the questionnaires were being collected.

Their responses were graphed as shown below.

Graph 6



Responses

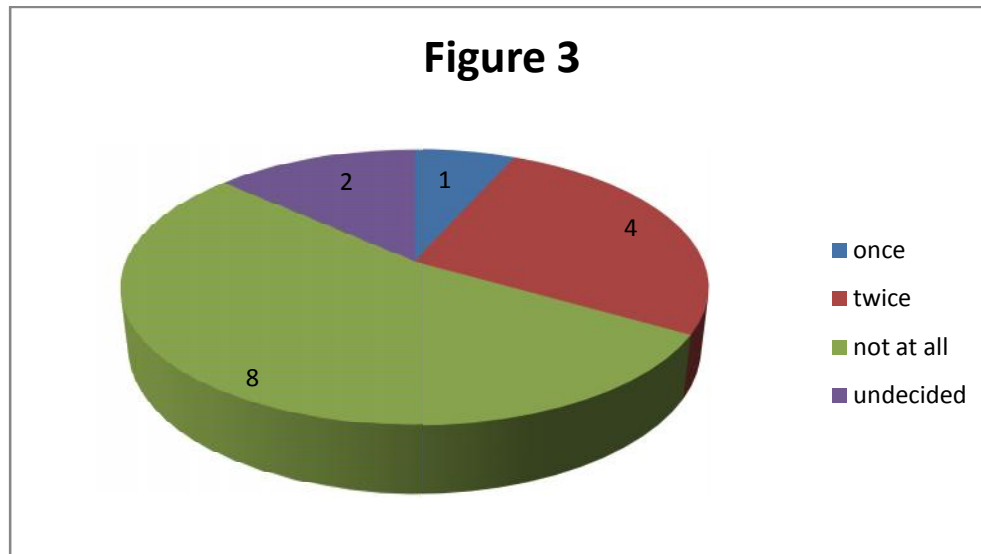
Table 11

Responses to the number of times workers have filed for tax reliefs.

Responses	Number of respondents	Degree
Once	1	$1/15 \times 360 = 24^0$
Twice	4	$4/15 \times 360 = 96^0$
Very often	-	-
Every year	-	-
Not at all	8	$8/15 \times 360 = 192^0$
Undecided	2	$2/15 \times 360 = 48^0$
Total	15	360^0

SOURCE: Research Field, May 2012.

After tabling the responses as seen above, the analysis were graphed as shown below;



SOURCE: Research Field, May 2012.

Table 11 and figure3 as shown above all indicates that out of the fifteen (15) respondents, only one person representing 24 as in figure 3 responded that he had filed for just once and had not received any benefit as of the time the questionnaires were being administered four respondents had filed for the relief two times but both filings had yielded no fruit. They therefore described it as being a waste of time. This group represents 96 as shown in figure 3 above. On the day of collection of the questionnaires, two (2) respondents had not responded to the question asked representing 48 as shown in figure 3 above.

Out of the fifteen respondents eight which represent 192 as shown in figure 3 above responded that they had never bothered to file for tax relief at all. This when asked was because they had no knowledge of the existence of such facility.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

This is the final chapter of the whole research work and it deals with a brief description of the research so far carried out on the topic Tax Relief and its relevance to the public Sector workers at the Amansie Central District of the Ashanti Region Ghana.

The main objective of the research was to examine the extent to which individual Ghanaian public Sector worker understands tax reliefs and find the ways through which one can file for allowable exemptions. Summary and recommendation for the findings and for further research areas are provided below

5.1 FINDINGS

After administering the questionnaires and the interviews conducted, the researchers found out that, public sectors workers were not aware of tax reliefs. The few who even had the opportunity to file for it were not even granted.

It was found out that because of lack of education to sensitize workers on their right to file for reliefs, virtually all respondents had no knowledge about tax reliefs and could not even in their own words explain what tax reliefs are .

Again, in an exclusive interview with the Districts Education Director for Amansie Central, he said that though he is aware that certain forms of reliefs exist but has never benefited from any of them, though he has filed for it two times throughout his working with the Ghana Education Service.

He said that the reliefs are inaccessible and for that matter the process of accessing these reliefs are very cumbersome. “.....we are just interested in our study leave which we are sure to get and we have made our workers aware that taking study leave is a right he said.”

The study also found out that tax officials are only interested in charging taxes but when it comes to granting reliefs, they pretend to overlook it. Based on the knowledge of workers, the study also realized that, the few who had a little knowledge about tax reliefs were those who offered business accounting at the tertiary education level. The research also found that most workers due to ignorance do not bother to file for tax relief at all.

5.2 CONCLUSION

Based on the findings of this research work, it was meaningful to conclude that, workers instead of being experts in filing for relief were rather novices to be taught what to do. Workers of the Ghana Education Service were just interested in applying for study leave instead of filing for tax reliefs. It was realized that workers were not prepared to file for it due to its cumbersome nature.

Some other forms of reliefs and allowances were available to the various institutions which were not listed among what the section 39, 57 and 60 of the ACT 592 listed as personal reliefs.

Once tax is inevitable in our society, it is concluded that its benefits must be to all and that be very accessible without any obstacle.

5.3 RECOMMENDATIONS

The researchers after a careful study have realized that, tax reliefs and its associated problems in assessing it could be solved if the following are well noted: Tax reliefs should be made a bill and hence should be granted to all who are due as in the payment of taxes.

Tax officials should make sure to frequently educate the public especially public sector workers whose taxes are charged at source to sensitize them thoroughly on the ways by which one can file for a relief.

Since it is every workers' right, it is highly recommended that issues concerning taxes and tax reliefs be made a compulsory course for all undergraduate students. This would at least enlighten every prospective worker on the basis of tax reliefs.

As a source of motivation, the government must ensure that workers are reminded regularly to file for reliefs due them. It is also recommended that an in-service training is organized for all public sector workers to sensitize them on the various forms of reliefs and how they can be filed for.

It is also recommended that all the various forms of personal reliefs are automatically granted to each and every government worker all things being equal.

The researchers also recommend that the various forms of reliefs be calculated and paid to workers separately at regular intervals, say monthly, quarterly, half yearly or yearly. This, the researchers believe would intrinsically and extrinsically motivate workers to give out their best thus increasing productivity.

It is also recommended that there should be strong inter sectoral collaboration between institutions of state such as the employees institution, Internal Revenue Service, Controller and Accountant General's Department to minimize the effect of the cumbersome nature of accessing the reliefs.

It is also recommended that reliefs on child education be increased to five children and that the relief should be at least four hundred cedis (GH¢400) per child every year. It is also recommended that the amount due for the training and development be increased to five hundred cedis (GH¢500) per year. Finally it is also recommended that tax officials be well resourced to undertake the necessary programs that will facilitate effectiveness and efficiency.

5.4 RECOMMENDATION FOR FURTHER RESEARCH

For further research work, more districts should be included and from different regions of the country. Further research should also be conducted on the problems militating against the smooth assessment of personal reliefs.

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APPENDIX: QUESTIONNAIRE USED FOR THE STUDY

CHRISTIAN SERVICE UNIVERSITY COLLEGE

This questionnaire is prepared to solicit your views on the various forms of tax reliefs and their relevance to you. It is purely academic and the answers provided would be used for which it is intended to serve. Answer provided therefore would be treated with the needed confidentiality.

SECTION A

Please tick [] where appropriate

Gender

Male []

Female []

Occupation

Teaching [] Policing []

Doctor []

Nurse []

Place of work -----

Number of years worked-----

Position/ Rank-----

Age-----

SECTION B

1. Do you have any knowledge about tax reliefs? Yes ☐ No ☐
2. If your answer in (1) above is yes, what are tax reliefs?
3. Do you pay your taxes to the Internal Revenue Service (IRS)? Yes ☐ No ☐
4. If Yes, how often? Sometimes ☐ every month ☐ Every year ☐ Once a while ☐
5. Have you benefited from any of the tax reliefs before? Yes ☐ No ☐
6. If Yes, which of them? Tick
 - a. Marriage relief ☐
 - b. Child education ☐
 - c. Training and development ☐
 - d. Dependent relative ☐
 - e. Old age ☐
 - f. Employee social security contribution ☐
 - g. Life insurance ☐
 - h. Disabled ☐
7. Are you aware that tax reliefs are workers right and for that matter tax payers rights?
Yes ☐ No ☐

8. How many times have you filed for tax relief? Once [] Twice [] Very often []
Every year []

9. Do you see anything wrong with the various forms of reliefs? Yes [] No []

Short comment-----

10. What advice would you give to the tax officials on the way matters concerning
reliefs are handled?

**TAX RELIEFS AND THEIR RELEVANCE TO THE PUBLIC SECTOR WORKER:
A CASE STUDY OF AMANSIE CENTRAL DISTRICT**

OWUSU BLESSING

ISSAH PETER

AMOAKO GRACE PALITHIA

AMBARAKA AYESHA SULEMAN

OBENG ASAMOA MARGARETH

**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES,
CHRISTIAN SERVICE UNIVERSITY COLLEGE IN PARTIAL FULFILMENT OF
THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION (ACCOUNTING OPTION).**

JUNE, 2012

DECLARATION

We hereby declare that this dissertation is the result of our own original work and that no part of it has been presented for another degree in this University College or elsewhere.

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ABSTRACT

The study examined through a survey, tax reliefs and their relevance to the public sector worker with special reference to Amansie Central District, Jacobu in the Ashanti Region of Ghana. Using a sample size of hundred (100) respondents selected from the three institutions; Ghana Education Service (GES), Ghana Health Service (GHS) and the Ghana Police Service (GPS) all in the Amansie Central District, Jacobu.

The study was guided by research questions and questionnaires were used as the main instrument for the study. The results obtained were presented, analyzed and discussed using tables, figures and graphs.

The responses of the questionnaire were counted, recorded and scored. The results were presented in the form of frequency table showing the frequencies of the responses to items in the questionnaires.

After administering the questionnaires and the interviews conducted, the researchers found out that, public sectors workers were not aware of tax reliefs. The few who even had the opportunity to file for it were not even granted.

It was found out that because of lack of education to sensitize workers on their right to file for reliefs, virtually all respondents had no knowledge about tax reliefs and could not even in their own words explain what tax reliefs are .

Again, in an exclusive interview with the Districts Education Director for Amansie Central, he said that though he is aware that certain form of reliefs exist but has never benefited from any of them, though he has filed for it two times throughout his working with the Ghana Education Service.

Administratively, logistics such as computers and vehicles could be provided for the staff and their capacity must also be built through in-service training.

In view of the many challenges encountered in filing for tax reliefs, it must be emphasized that the various recommendations given in this study may not solve all the problems but will serve as a complement in finding antidotes to the challenges highlighted by the study.

The researchers after the study recommend that the various forms of reliefs be calculated and paid to workers separately at regular intervals, say monthly, quarterly, half yearly or yearly. This, the researchers believe would intrinsically and extrinsically motivate workers to give out their best thus increasing productivity.

It was also recommended that there should be strong inter sectoral collaboration between institutions of state such as the employees' institution, Internal Revenue Service, Controller and Accountant General's Department to minimize the effect of the cumbersome nature of accessing the reliefs.

DEDICATION

This work is dedicated to our supervisor, Mr. STEPHEN ALEWABA whose support, guidance, correction and best wishes have seen us through.

Special dedication also goes to families, friends and colleagues for their support both economically and emotionally.

ACKNOWLEDGEMENT

First of all, we are very grateful to Almighty God for giving us the strength, wisdom and foresight to pursue this important course.

Foremost, we are greatly indebted to MR. STEPHEN ALEWABA whose experience, patience and guidance as our supervisor saw us through the completion of this work. We must say that the successful completion of this work was as a result of the constructive criticisms, suggestions and comments of all well meaning people.

Whilst it would be impossible to mention everybody, this work would be incomplete without mentioning some including MR. LOUIS K. WADJA, the District Education Director, Chief Inspector Nana Adu-Duku, all of Amansie Central District, Jacobu.

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