

**THE BENEFITS AND CHALLENGES OF THE INTEGRATION OF GHANA
REVENUE AUTHORITY
(CASE STUDY OFFICES OF GRA IN KUMASI METROPOLIS)**

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ABSTRACT

For any nation to achieve its objectives, it is important to do comparative analysis in performance with the growth and the expectations of its citizens. It must increase its fiscal policies and effort without incurring much cost in generating its revenue for developmental projects. The purpose of this study was to examine the benefits and the challenges of the Ghana Revenue Authority since the integration in the country.

It is in line with the above that the Ghana Revenue Authority was established to streamline all tax policies, procedure and collection processes to fulfill the country's potential aspirations. The transformation of the tax administration will go a long way by improving the old systems with the new systems in place. The integration will be of help to the taxpaying public because IRS and VAT are paid at the office but previously, after paying the IRS then they have to go another locality to file their VAT Returns, which some could not do and this reduces the nations' revenue. The research reports findings are based on cross sectional approach to examine the benefits and challenges of GRA's' experiences with the integration, efficiency

and effective tax administration. The evidence so far gathered suggests that a positive impact of the systems has been achieved and the challenges are at its barest minimum. The revenue generated since 2009 to date has indicated that GRA is performing its role and functions judiciously but some of the problems need to be addressed with drastic measures being put in place. The new system had been beneficial in the management of tax collection that so far it has been seen to be economic, efficient and effective in its general operations. The GRA has not been able put enough structures in place but they are making progress with the implementation of the various policies outline.

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DEDICATION

This study is dedicated to the Almighty God for his divine protection, wisdom, knowledge and understanding, health bestowed on us during our study in the university for the past four years.

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ABBREVIATIONS

GRA	-	Ghana Revenue Authority
DTRD	-	Domestic Tax Revenue Division
PAYE	-	Pay As You Earned
VIT	-	Vehicle Income Tax
CST	-	Communications Service Tax
VAT	-	Value Added Tax
NHIL	-	National Health Insurance Levy
NHIS	-	National Health Insurance Scheme
VFRS	-	Value Added Tax Flat Rate Scheme
CD	-	Customs Division
SSD	-	Support Services Division
RSC	-	Retail Scheme Calculation
DGT	-	Daily Gross Takings
GR	-	Gross Revenue
NR	-	Net Revenue

NRP	-	Non-Resident Person
NYEP	-	National Youth Employment Programme
ISPs	-	Internet Service Providers
CEPS	-	Customs Excise and Preventive Service
IRS	-	Internal Revenue Service
RAGB	-	Revenue Agencies Governing Board
LTU	-	Large Tax Unit
NRS	-	National Revenue Secretariat
TIN	-	Tax Identification Number
DMCE	-	Debt Management Compliance Enforcement
GDP	-	Gross Domestic Product
EDMs	-	Enforcement and Debt Management units
GNA	-	Ghana News Agency

CHAPTER ONE

1.0 Introduction

This study will highlight on the previous revenue agencies, the act that establishes the GRA, its roles, functions, benefits and some of their challenges, objectives, questions, significance, methodology and scope. Taxes are the major backbone of every nation in the world and help to provide basic infrastructural amenities for its citizenry such as school, hospitals, roads and payment of salaries and allowances of government workers.

1.1 Background

Revenue Agencies of the state of every country in the world like Ghana play very important roles in terms of collection of taxes. The Tax reforms started in Ghana in line with international trends in 1986 when CEPS and IRS were taken out of the civil service and made semi-autonomous and self accounting public institutions with separate boards. In the same period National Revenue Secretariat (NRS) was also set up to formulate revenue policies, manage tax reforms and monitor the operations or activities of CEPS and IRS. Formerly, the various revenue agencies were operating under different umbrellas with their own commissioners and with different Acts. The Internal Revenue Service was operating under Act 592 of 2000 as amended, the Customs, Excise and Preventive Service was also using PNDC Law 330 of 1993 as amended, while the Value Added Tax Service which replaced the Sales Tax was operating under Act 546 of 1998 to administer VAT and other consumption taxes. The Tax Identification Number System also came into being in 2002 to ensure information interchange and risk profiling. Then in 2004, the large Taxpayer Unit (LTU) was also established to operate on functional lines as a pilot project for the integration of tax administration in Ghana. The Revenue Agencies Governing Board (RAGB) Act 558 began its functional operations in 2001 with the sole responsibility to supervise and co-ordinate the

activities of the Revenue Agencies to maintain an efficient Tax Collection System and restructure the agencies through Tax Reforms. In March 2009, the RAGB issued a strategic plan which recommended the establishment of a single Revenue Authority on functional lines as the way forward for effective and efficient administration of revenue mobilization in Ghana. The Ghana Revenue Authority Act, 2009, Act 791 was passed in December 2009 to merge the various revenue agencies in the administration of taxes and customs duties in the country. Under the Transitional Provision of the Ghana Revenue Authority Act, until the commissioner General was appointed, the three Commissioners of CEPS, IRS and VAT were to continue in office. Pursuant to section 13 (1) of the Act, the late President of the Republic of Ghana, His Excellency Prof. J. E. A. Mills appointed Mr. George Blankson as the first Commissioner General of the Authority who assumed duty on March 9, 2010.

The composition of the Ghana Revenue Authority is Domestic Revenue Tax Division, Customs Division and Support Service Division.

Domestic Tax Revenue Division is a division of the GRA under the Ministry of Finance which is charged with domestic tax administration such as to identify all tax payers, assess the taxpayer to pay taxes and levies. The Customs Division is responsible for collection of Import Duty, Import VAT, Export Duty, Petroleum tax, Import and Excise duties and other taxes. They also ensure the protection of revenue by preventing smuggling. The Support Services Division is headed by a Commissioner who reports directly to the Commissioner General.

The main purpose of establishing the GRA was to integrate the management of Domestic Tax and customs, modernize domestic tax and customs operation through the review of processes and procedures and integrate Internal Revenue Service and Value Added Service into domestic tax operations.

It was envisaged that the amalgamation of the revenue agencies will bring some benefits to the nation, the staff and the taxpayer as follow;

The GRA will put in place, a well defined command structure for tax revenue administration. It will help to reduce administrative and tax compliance cost.

This will provide a holistic approach to tax and customs and ensure optimal revenue mobilization. Again, it will ensure effective and efficient collection of revenue, greater transparency, accountability and integrity. It will ensure stakeholders have trust and confidence in the tax administration as well as elimination of duplication in support service functions.

Improvement in skills training and promotion of staff professionalism and enhanced understanding of customer service. Taxpayers will be educated on the need for paying taxes and provide better service delivery and improved departmental information flow.

Besides the benefits, there are vital roles that the GRA need to perform and these include;

Assess and collect taxes, interests and penalties due to the country with optimum efficiency and pay the right amount collected as taxes into the consolidated fund unless otherwise as provided by the relevant Acts.

Furthermore, they will promote tax compliance and tax education, combat tax fraud and tax evasion and to co-operate with other competent law enforcement and revenue agencies in other countries. They are supposed to prepare and publish reports and statistics related to its revenue collection. The GRA will perform any other function in relation to revenue as directed by the Minister or assigned to it under any other enactment.

In 2010, Taxes collected by federal, state and municipal government in USA amounted to **24.8%** of GDP and overall figure was **\$2,163 billion**. The revenue generated within 2010 tax year is stated in list of tables in appendix (ii) check for details. (Source: Federal Government Receipts 2010)

In Ghana, taxes collected in 2010 as per GDP ratio was 12.7%. The GRA's target for tax revenue in 2011 was GH¢ 7,544.66 million and at the close of the year in December 2011, revenue collected amounted to GH¢8,706.39 million exceeding the target by GH¢1,161.73million representing 15%. Please, find details on appendix (ii) under the list tables on 2011 tax performance of GRA. Overall the 2011 tax collection performance was 46.6% over the actual collection performance for 2010. The tax revenue /GDP ratio collapsed was 12.7% in the wake of the rebasing in 2010, it grew to 15.9% in 2011. At the High Level Aid Effectiveness Conference held in Bussan, South Korea on January 2012, which was attended by the UN Secretary General, four Heads of State and the US Secretary of State, Ghana's achievement of 3% points growth in tax /GDP ratio in one year was mentioned as a performance which has no precedent in recent revenue history. There is the need for all firms, companies big or small and individuals, to pay appropriate taxes to the state however, the fact that some firms do not know where to pay their taxes and levies, negatively affect the revenue of the state. These adversely affect the carrying out of projected developments of the state. Despite the actual performance exceeding the target, there are still some loopholes in the tax administration and therefore there is the need to conduct a study to investigate, and identify the factors that prevent the GRA from collecting taxes more economically, effectively and efficiently, hence the decision to undertake this study.

1.2 Problem Statement

An initial study conducted by Ghana Integrity Initiative on tax collection in Ghana shows that most of the taxpayer evade taxes, while some do not pay the right amount of taxes to the state. There are two main avenues through which a government can generate revenue; external borrowing and internal generating of revenue through taxes and levies. The former comes with an albatross of debt payment that for long hangs around the neck of the state to settle. The latter option comes with facing the displeasure of citizens and residents who pay taxes and levies with lots of resentments.

The tax system is plagued with problems such as loss of revenue through corruption, financial malfeasance, and extremely small tax base due to high level of poverty and limited government administrative capacity among others.

There is also the lack of a system to track people who evade taxes including professionals and non-professionals such as lawyers, footballers, masons and others. The 2011 budget statement which was read by the Minister of Finance in Parliament identified certain antidotes to addressing the non-payment of taxes by professionals.

Again, to ensure maximum revenue collection, therefore, tax collectors must be seen to execute their job with creativity and fortitude. But there seems to be an apparent leakage in the tax administration with a lot of people finding cunning ways to avoid paying taxes.

In addition to the above challenges, the next aspect of concern is the tax base. A tax base can be described as the sum of taxable activities, collective value of real estate and assets subject to tax within a community.

Furthermore, tax officials, most often do not have a good rapport with the tax taxpayers, thus creating conflicts anytime they try to collect taxes. The apparent lack of tax education among

majority of the populace, coupled with improper accounting system on the part of businesses and individuals pose a precarious problem to tax collecting agencies in assessing the right taxes and levies for payment. This will help us measure the performance of the new system with respect to the old one. To determine how the compliance cost will be reduced.

In a nutshell, tax officials are confronted with other internal challenges such as lack of logistics to effectively pursue their work and also lack motivation to spur them onto execute their arduous task. There are also cases of political interference when it comes to collecting taxes from known political figure cohorts especially at the grass roots levels.

The above mentioned challenges or problems pose the following questions to enable us know the potential benefits and other problems of amalgamation of the revenue agencies which is called Ghana Revenue Authority.

1.3 Objectives of the research

In order to identify the real benefits and problems of the Ghana Revenue Authority, these objectives have been set;

1. To assess the performance of GRA's operation in terms of structure, revenue collection and policy implementation
2. To investigate if GRA has plans to provide enough logistics and tax education to enhance the payment of taxes.
3. To determine the GRA's measures put in place to punish tax evaders in order to deter others and identify their major benefits and challenges associated with the integration.
4. To examine the pre and post performance with regards to the integration.

1.4 Research Questions

1. Are there enough structures and proper policies in place to achieve maximum revenue generation, tax equity and justice for the development of our dear nation?
2. Is the GRA in a position to provide the necessary logistics for proper tax education and to assist tax officials build strong relationship with taxpayers?
3. What measures has the GRA put in place in order to punish those who try to evade and avoid paying taxes?
4. Would the performance of GRA be better than the previous tax administration and how do management find the integration?

The outcome of the study will also assist to make recommendation for the benefit of the Ghana Revenue Authority.

1.5 Significance of the study

The study contributes in finding out whether GRA conforms to an effective revenue mobilization in the country. The research adds up to the existing knowledge of effective and efficient administration, benefits and challenges of revenue mobilization. It also aimed at enhancing the productivity among employees of Ghana Revenue Authority (GRA). Streamlining the tax collection processes, policies, procedures and automation.

1.6 Research Methodology

Taking into account the fact that the study covers a vast area, not all the respondents can be included in the study. It is thus momentous to draw a sample from the population of 50. All the management from the six branches of Domestic Mutually the probability and non-probability methods were used to select the sample for the study. The Sample size of 40 staff of the GRA was used for the study.

In terms of the non-probability method, the purposive sampling method was used to select management of the Domestic Tax Revenue, Customs Division and the Support Service Division. Data were collected from both primary and secondary sources, online press released and website of the GRA, questionnaires.

1.7 Scope and limitation of the research

The study looks into the benefits and problems of the GRA as well as the functional performance of each division. It will be more purposeful to users who have knowledge in the above subject matter. A number of constraints were faced by the researchers during the course of the study and these are captured as follows;

Busy schedules of our respondents resulted in late receipts of questionnaires and some of them failed to turn in their questionnaires.

Access to data was a major problem since most officials were not willing to give sensitive data where the research was concerned.

Respondents' feedbacks were not suitable for the study as individual differences and disparity came to play. Due to lack of funds and time frame within which the task was carried out, the study was limited to the GRA offices in Kumasi.

These constraints were obviously predicted, but other challenges cropped up during the collection of the primary data. Among them were the misplacement of questionnaires by some of the respondents and the subsequent failure of some them to meet the submission deadline.

1.8 Organization of the study

The study has been organized in five chapters;

Chapter one consists of introduction, background, statement problems, research questions, research objectives, significant of the study, methodology and limitation and scope of the research.

Chapter two is related to literature review. It shows the nature of knowledge of the topic. Issues discussed among the topics are introduction, definition of Ghana Revenue Authority, Functions, Vision and Mission Statement, Composition of the GRA that is Domestic Tax Revenue Division, Custom Division and Support Service Division, their functions and Communication Service Tax, Commissioners of the Ghana Revenue Authority, The Logos of the GRA and Brief history of the taxation in Ghana.

Chapter three contains elements of the methodological issues in respect of the research presented. These elements are target population, the sample size and sample technique, the research instruments and data collection procedures.

Chapter four dealt with the analysis of data and interpretation of the results with tables, chart and others.

Finally, chapter five outlined the summary, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section seeks to review various research works on the above topic and other related issues. The areas of review include challenges and benefits of the Ghana Revenue Authority (GRA), definitions, general overview of GRA in Ghana as well as its obstacles, Divisions of GRA, definitions and its functions, Commissioners, historical perspectives of GRA in Ghana, global need for tax collection and the importance of GRA in Ghana.

2.1 Definition of Ghana Revenue Authority

The issue of what constitutes Ghana Revenue Authority is a major concern in the literature. Different tax experts have usually given different meanings to this category of agencies. The Ghana Revenue Authority is made up of the three tax revenue agencies, namely, Customs Excise and Preventive Service (CEPS), Internal Revenue Service (IRS), and Value Added Tax Service (VATS).and the Revenue Agencies Governing Board (RAGB) Secretariat which were merged in accordance with Ghana Revenue Authority Act 2009, Act 791

2.1.1 Compositions of Ghana Revenue Authority

The compositions of the GRA are:

1. Domestic Tax Revenue Division
2. Support Services Division
3. Customs Division

The above replaces the erstwhile revenue agencies in the administration of taxes and customs duties in the country. The three-winged structure designed to ensure maximum efficiency in the Authority's core business of revenue mobilization merges the management support of

finance, administration and research of the erstwhile agencies under one Support Services Division, leaving the Customs Division and the Domestic Tax Revenue Division unencumbered by peripheral functions to focus entirely in revenue collection with Support Services Division supporting them with the required management service.

2.1.2 Vision of Ghana Revenue Authority

Ghana Revenue Authority would be a world class revenue administration recognized for professionalism, integrity and excellence.

2.1.3 Mission of Ghana Revenue Authority

GRA's mission is to mobilize revenue for national development in transparent, fair in an effective and efficient manner.

This could be achieved through; Professionalism and friendly client services, promotion of voluntary compliance, application of modern/recent technology, Effective border protection and a well trained, disciplined and highly motivated staff.

The core values of GRA are integrity and fairness in their service delivery as well as teamwork; innovation and professionalism are the major hallmark.

2.1.4 Ghana Revenue Authority Governance Structure

The Authority is headed by a Commissioner General. Each division is being headed by a Commissioner.

1. Taxpayers will be segmented into three identifiable groups based on defined criteria (Large, Medium and Small)
2. Tax collection will be reorganized on functional lines rather than tax types

3. The business processes of domestic taxes will be re-engineered and modernized to increase efficiency.

2.1.5 Objectives of Ghana Revenue Authority

The objectives of the Authority are to:

- Provide a holistic approach to tax and customs administration;
- Reduce administrative and tax compliance cost and provide better service to taxpayers; and promote efficient collection of revenue and the equitable distribution of tax burden and ensure greater transparency and integrity.
- Ensure greater accountability to Government for the professional management of tax administration; and improve information linkage and sharing of information among the Divisions of the Authority;
- Provide a one-stop service for taxpayers for the submission of returns and payment of taxes; and provide common tax procedures that enable tax payers to be governed by a single set of rules: and provide for other matters related to the improvement of revenue administration.

2.1.6 Functions of Ghana Revenue Authority

In order to achieve the above objectives, the Authority has been charged to perform the following functions:

- a) Assess and collect taxes, interest and penalties on taxes due to the Republic with optimum efficiency; and pay the amounts collected into the Consolidated Fund unless otherwise provided by this Act and other Acts.
- b) Promote tax compliance and tax education and combat tax fraud and evasion and cooperate to that effect with other competent law enforcement agencies and revenue

agencies in other countries; and advise District Assemblies on the assessment and collection of their revenue.

- c) Prepare and publish reports and statistics related to its revenue collection
- d) Make recommendations to the Minister on revenue collection policy; and perform any other function in relation to revenue as directed by the Minister or assigned to it under any other enactment.

The Commissioner-General of the GRA, Mr. George Blankson was appointed in March 2010. A nine-member Governing Board for the Authority has also been inaugurated. The head office of the GRA is located on the 6th floor of the Heritage Towers, Ambassadorial Financial Enclave, West Ridge, Accra. www.gra.gov.gh.2010

2.2 Domestic Taxes

Domestic taxes are administered by the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority. It is the merger of the operational wings of the erstwhile Value Added Tax Service and the Internal Revenue Service. Some of the domestic taxes being administered by the DTRD include:

2.2.1 Income Tax

Corporate Tax: This is the tax paid by companies on their profits in the year. The tax rate is 25% for non – listed companies on the stock exchange market whilst 22% for companies that are listed on the stock exchange market. Companies established outside the cities are given tax holidays.

Personal Income Tax: Self-employed persons are required to pay Income tax at graduated rates in four equal installments. The current Personal Income Tax rates took effect from November 2011.

Pay As You Earn (PAYE): The PAYE contributions are withholdings from salaries of employees in order to satisfy their income tax responsibilities. The PAYE is computed with the Personal Income Tax rates for annual and monthly on page under the list of tables 1.3 – 1.4.

Vehicle Income Tax (VIT): This is a tax collected from commercial vehicle operators on quarterly basis. The VIT system makes it obligatory for commercial vehicle operators to buy VIT stickers from any GRA District office on a quarterly basis

Tax Stamp: This is a tax collected from small-scale self-employed persons in the informal sector on quarterly basis. Under the Tax Stamp System, business operators in the informal sector are grouped according to business type e.g. dressmakers, Susu collectors, chop bar owners, butchers etc. The business types are further grouped by class/size to arrive at equitable rates to be paid according to both type and size.

Stamp Duty: This duty is administered under the Stamp Duty Act, 2005 (Act 689). The Stamp Duty is not a tax on transactions, but on documents brought into being for the purposes of recording transactions. It is therefore a tax on documents or specific instruments which have legal effect.

Gift Tax: This is a tax payable by a recipient on the total value of taxable gifts received in a year of assessment. The total value of taxable gift(s) must exceed GH¢50.00 in a year of assessment. Assets on which tax is imposed include land, buildings, money (including foreign currency), shares, bonds and securities, business and business assets. The rate of tax is 5%.

Capital Gains Tax: This is a tax paid on the gains made from the realization or sale of a chargeable asset where the gain exceeds GH¢50.00. Assets on which tax is imposed include land, buildings, business assets including goodwill and shares of a resident company. The rate of tax is 15%.

Rent Tax: This is the tax paid by rent income earners on the gross amount earned in a year of assessment. The rate of tax is 8% on the gross rent income. It is a final tax.

Mineral Royalties: This is a tax imposed on persons for the extraction of natural resources on or under the surface of the earth. The rate is 5%.

Communications Service Tax (CST): The Communications Service Tax (CST) is a tax levied on charges for the use of communications services that are provided by communications service operators. It is paid by consumers to the communications service providers, who in turn pay all CST collected on a monthly basis. CST is imposed under Section 1 of the Communications Service Tax Act 2008, (Act 754). It is paid by consumers to the communications service providers, who in turn pay all CST collected to the Domestic Tax Revenue Division of the Ghana Revenue Authority on a monthly basis. The GRA is required under the law, to pay the CST collected into the Consolidated Fund. These businesses include:

- National fixed network and mobile cellular network operators
- Internet Service Providers (ISPs) and Public/Corporate Data Operators
- The providers of Radio (FM) broadcasting services and providers of free-on-air and pay-per-view television services.

Value Added Tax: This (VAT) is a broad-based tax imposed on the expenditure of consumers when they purchase goods and services. It is collected by businesses which are registered to charge the tax in stages on the “value added” from the manufacturing to retail level. The businesses then account for the tax so collected at the end of every month. The current standard rate of the tax is 12½ percent. A zero (0) rate is also applied to all exports.

VAT Flat Rate Scheme (VFRS): This is a special method for collecting and accounting for VAT/NHIL. It is designed for traders operating in the retail sector. Under the VFRS, registered retailers of taxable goods shall charge VAT/NHIL at a marginal rate of 3% on the

value of each taxable item sold. VAT on Imports: What this topic covers? This topic deals with the VAT procedures which apply to goods imported into and exported from Ghana. It also deals with the procedures to be used by exporters of services, the recipients of imported services and with goods entering and leaving the Free Zone. The law: The law governing VAT is the Value Added Tax Act 1998 (Act 546) and Value Added Tax Regulations 1998 (L.I.1646). Sections 1, 2, 16 and 22 of the Act and Regulation 18 deal with imports. Sections 13, 15 and 25 and Schedule 2 of the Act and Regulation 14 deal with exports.

National Health Insurance Levy (NHIL): The National Health Insurance Levy (NHIL) is a levy imposed on goods and services supplied in or imported into the country. All goods and services are subject to the levy unless they are otherwise exempted. The levy is charged at a rate of 2½ on the VAT exclusive selling price of goods supplied or service rendered. The NHIL is collected by registered businesses in the same way as VAT is collected.

Free Zone Operations: A Free Zone Enterprise which is also issued with a Class1 Licence by the National Communications Authority is required to charge CST on all communication services provided to consumers within the domestic economy and account for the tax to the Commissioner-General of the GRA. All such Free Zone Enterprises are required to submit monthly CST returns in accordance with the provisions of the Communications Service Act 2008, (Act 754). Free Zone Good: Goods entering the Free Zone: Goods supplied locally to Free Zone operators are taxable supplies but are treated as if they were exports. Such supplies are entitled to VAT zero-rating provided the procedures required by Commissioner of the Customs Division Order No.3/98 are properly completed and the supplier holds certified evidence of export as defined in Paragraph 4.3, plus the Free Zones Board Form 9, certified and endorsed by the proper officer of the Customs Division. Goods supplied locally by Free Zone operators: Unless qualified for exemption under Schedule 1 of the VAT Act, goods supplied within Ghana by Free Zone operators are liable to VAT at the standard rate. Free

Zone operators do not need to register for VAT in Ghana if all their local supplies are properly cleared through Customs Division and are covered by the Customs Division documentation as imports into Ghana. VAT registered local customers of Free Zone operators, who must ensure that their importations are properly cleared through Customs Division, are entitled to reclaim the VAT paid at importation as input tax provided they hold the evidence referred to in paragraph 2.6 above.

Receipt of Communications Service in Ghana provided by a Non-Resident Person: A person, other than a Class I Licencee, who receives communications service from a non-resident person, is required to account for CST on the value of the service received to the Commissioner-General of the GRA, in such form as shall be determined by the Commissioner-General. Some Interpretations: “Class 1 Licensee” means a communications service provider granted a Class 1 License by the National Communications Authority under the provisions of the National Communications Regulations 2003 (LI 1719)

“Gross Revenue” means the total revenue accruing to a communications service provider with a Class 1 License from his business operations, exclusive of VAT, NHIL and CST.

“Non-resident person” means a communications service provider who operates from a source outside Ghana.

“Net Revenue” means Gross Revenue less: Wholesale Revenue and other Non-Communications Service Revenue. “Other Non-Communications Service Revenue” means revenue accruing to a Class 1 Licensee other than revenue from the provision of communications services.

“Wholesale Revenue” means the total revenue accruing to a Class 1 Licensee from the provision of communications services to another Class 1 Licensee, other than revenue from interconnection services.

Imports of Goods - Liability to VAT: The goods which attract VAT at importation are classified as such in the Customs Division Tariff in accordance with the Harmonized System (HS) Code classification. This classification also includes goods exempted under the law. The taxation of imported services is dealt with in Section 3 below. Exporters must issue VAT invoices, showing a tax rate of zero, for all export transactions. To qualify for zero-rating, exporters must hold evidence of export in the form of valid export entries certified by the Customs Division of the Ghana Revenue Authority. As a further validation of an export, control officers of the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA) may make selective checks on supporting documents, such as: customers' orders, sales contracts, inter-company correspondence, copy export invoices, advice notes/consignment notes/packing lists, insurance and freight charges, evidence of payment and Evidence of receipt of goods abroad. This is without prejudice to checks on any other business records. Source: www.gra.gov.gh.2010

Responsibilities: Exporters who use freight forwarding and shipping and clearing agents must ensure that the agents supply them with the necessary export evidence to enable them to claim input tax credit and refunds, where applicable. If this is not held by the exporter when the relevant VAT return is due to be submitted, the supply is taxable at the standard rate. Freight forwarding and shipping and clearing agents appointed by exporters must:

1. Take reasonable steps to ensure that the goods are as described by the exporter;
2. Ensure that the necessary pre- or post-shipment customs requirements are fulfilled;
3. Keep records of each export transaction; and provide the exporter with valid export evidence once the goods have been exported.

Exempt Supplies: A number of goods and services are exempt from VAT under the VAT law (S. 15/ Schedule 1). This classification should, however, be distinguished from zero-rated

supplies described later in this booklet. (All goods and services exempt from VAT are also exempt from the NHIL).

A summary of the goods and services which are exempt from VAT/NHIL include

- Live animals and this classification includes all live animals such as cattle, sheep, goats, swine and poultry, but excludes horses, asses, mules, hinnies and similar exotic animals.
- Goods for the disabled and articles designed exclusively for use by the disabled.
- Educational Items / Services and the supply of educational services at any level by an educational establishment approved by the Minister for Education. Laboratory equipment for educational purposes and library equipment.
- Medical supplies and services – Pharmaceuticals and medical services, essential drugs as listed under Chapter 30 of the ‘HS Code’ produced or supplied by retail in Ghana, specified active ingredients for essential drugs, and selected imported special drugs determined by the Minister for Health and approved by Parliament.
- Transportation Includes transportation by bus and similar vehicles, train, boat and air.

Machinery: Machinery, apparatus, appliances and parts thereof, designed for use in Agriculture, veterinary, fishing and horticulture, Industry, Mining (as specified in the mining list) and dredging; and Railway and tramway. Crude oil and hydrocarbon products, petrol, diesel, liquefied petroleum gas, kerosene and residual fuel oil.

Land Building and Construction: Land and buildings: - the granting, assignment or surrender of an interest in land or buildings; the right to occupy land or buildings excluding hotel accommodation, warehousing, storage and similar occupancy incidental to the provision of the related services. Civil engineering works. This exemption excludes professional services such as architectural or surveying (i.e. these are taxable services).

Financial Services: Provision of insurance; issue, transfer, receipt of, or dealing with money (including foreign exchange) or any note or order of payment of money; provision of credit; operation of any bank (or similar institution) account. This exemption excludes professional advice such as accountancy, investment and legal (i.e. these are taxable services).

Animals, livestock, poultry and fish imported for breeding purposes. Live asses, mules, and hinnies, live bovine animals, live swine; live sheep and goats; live marine mammals, live fish and aquatic invertebrates. Animal product in its raw state produced in Ghana. Edible meat and offal of the animals, livestock and poultry earlier listed, provided any processing is restricted to salting, smoking, freezing or similar simple processes of preparation or preservation. This exemption excludes pate, fatty livers of geese and ducks and similar products (i.e. these are taxable).

NOTE: These items are considered to be in their raw state even if they have undergone simple processes of preparation or preservation such as freezing, chilling, drying, salting, smoking, stripping or polishing.

Agricultural and aquatic food product in its raw state produced in Ghana. Fish, crustaceans and mollusks, vegetables, fruits, nuts, coffee, cocoa, shea butter, maize, sorghum, millet, tubers, guinea corn and rice. This exemption excludes ornamental fish (i.e. the supply of ornamental fish is taxable), Seeds, bulbs, rooting, and other forms of propagation; of edible fruits, nuts, cereals, tubers and vegetables. Agricultural inputs: Chemicals including all forms of fertilizers, acaricides, fungicides, nematicides, growth regulators, pesticides, veterinary drugs and vaccines, feed and feed ingredient. Fishing equipment: The Boats, nets, floats, twines, hooks and other fishing gear as well as imported inputs for fishing nets and twines are exempted. Water: The Supply of water. The exemption excludes packaged and distilled water (i.e. they are taxable). Electricity: Domestic use of electricity up to a specified consumption level prescribed in regulations by the Minister (i.e. all commercial use of electricity and

domestic consumption above the limit specified is taxable).Printed matter (books and newspapers): These must be fully printed or produced by any duplicating process. It includes atlases, books, charts, maps and music.The exemption excludes imported newspapers, plans and drawings, scientific and technical works, periodicals, magazines, price lists, greeting cards, almanacs, calendars and stationery. These are taxable. Source: GRA News 2010

2.3 Customs Division (CD)

The Customs Division is responsible for collection of Import Duty, Import VAT, Export Duty, Petroleum Tax, Import Excise and other taxes. At present, the Domestic Tax Revenue Division (VAT) collects Excise Duty on behalf of Customs except Excise Duty on Petroleum products. The taxes are used to finance the country's recurrent budget and development projects in the health, education, housing, the transport sector etc.

Customs also ensure the protection of the revenue by preventing smuggling. This is done by physically patrolling the borders and other strategic points, examination of goods, and search of premises, as well as documents relating to the goods. As a frontline institution at the country's borders, Customs also plays a key role in surmounting external aggression and maintains the territorial integrity of Ghana. Customs is part of the country's security network.

In addition to these functions, Customs performs agency duties on behalf of other government organizations and ministries by seeing to the enforcement of laws on import and export restrictions and prohibitions. Source: www.gra.gov.gh.2010

2.4 Support Services Division (SSD)

The Support Services Division is headed by a Commissioner who reports directly to the Commissioner General. Under the current transitional arrangements, the three erstwhile revenue institutions are operating in quasi-autonomous status. Each institution still has Deputy Commissioners for all the support services functions (i.e. Human Resource (HR),

Finance, Research, Planning & Monitoring and Information Technology (IT)). However, they all report to the Commissioner Support Services Division. These are temporary and transitional arrangements. Source: GRA News 2010

2.5 Ghana Revenue Authority Takes Over Revenue Agencies:

The Ghana Revenue Authority (GRA) has taken over completely the responsibilities of the erstwhile Customs, Excise and Preventive Service (CEPS), Internal Revenue Service (IRS), Value Added Tax Service (VATS) and Revenue Agencies Governing Board (Secretariat). A statement from the GRA in Accra said yesterday that the revenue agencies, therefore, cease to exist and have been subsumed into the Ghana Revenue Authority with the passage of GRA Act, 2009 (Act 791). The Act established the GRA as a body corporate to replace the erstwhile CEPS, IRS, VATS and RAGB for the administration of domestic tax and customs revenue in Ghana. It said in a the statement released by Mr. George Blankson, Commissioner-General of GRA that under GRA, the operations units of the erstwhile IRS and VATS had been integrated into the Domestic Tax Revenue Division (DTRD) while the operations and preventive units of the erstwhile CEPS now formed the Customs Division. All the management support functions that used to be performed under the erstwhile CEPS, IRS, VATS and RAGB, that is Finance, Human Resource, Administration, Information Technology and Research Planning and Monitoring, have been merged to form the Support Services Division (SSD). Each of these divisions is headed by a Commissioner while the remaining management support functions, including Communication and Public Affairs, Internal Audit, Internal Affairs, Modernization Programme Office and Board Secretariat and Legal Affairs are headed by Deputy Commissioners, who all report directly to the Commissioner-General. "In accordance with the provisions of the GRA Act, 2009 (Act791), all dealings and businesses with the former revenue agencies should be redirected to the

Ghana Revenue Authority with immediate effect,” the statement said. Source: info@gra.gov.gh, Wednesday, 25 May,2011 09:53

2.6 Ghana Revenue Authority Creates new unit to Monitor Debt level of Taxpayers

The Ghana Revenue Authority (GRA) on Thursday inaugurated a Debt Management and Compliance Enforcement Unit (DMCE) to create a uniform organizational approach to debt recovery and compliance. The DMCE will serve as a central coordinating unit for enforcement and debt management of Domestic Tax Revenue Division and Customs Division and would among others monitor levels of total debt stock owed by taxpayers to GRA. In an address, Mr. George Blankson, the Commissioner General GRA, said the level of debt stock in the books constituted a significant challenge to the organization’s operations and that the new unit would holistically look at the challenge and find appropriate solution. He said the optimization of revenue collection was the overarching corporate goal of the on-going reform in the revenue sector, adding that if the goal was to be achieved there was the need to monitor more closely debts owed by taxpayers, recover them and enforce the tax laws and policies more rigorously. There is also the need to control revenue leakage, raise collection levels and increase the tax/GDP ratio in line with appropriate international standards.

However, Mr. Blankson said the establishment of the Debt Management and Compliance Enforcement (DMCE) Unit was not meant to duplicate the work of the various Enforcement and Debt Management Units (EDMs) of the Domestic Tax Revenue and Customs Divisions. Rather, he said, the DMCE Unit would coordinate debt management and compliance activities and support debt management and enforcement units in the outfield offices to achieve greater efficiency and effectiveness.

Among other functions, the DMCE will facilitate information sharing among departments; create a uniform organizational approach to debt recovery and compliance and promote voluntary compliance by instituting measures that will render non-compliance unattractive.

In a speech read for him, Dr. Kwabena Duffuor, Minister of Finance and Economic Planning appealed to the staff of the unit not to use the powers given them arbitrarily.

“It is pertinent to remind you that there is always the tendency to compromise the ethics of your profession for personal gains by virtue of the exercise of the powers granted you. However, I encourage you to hold onto the principles of integrity, while at the same time being fair to the numerous taxpayers you will come into contact with in your service delivery,” he said. Source: GNA

2.7 Revenue Authority Clamps Down On Tax Cheats

By Ghana News -SpyGhana.com: Information filtering in from the Domestic Tax Revenue Division of the Ghana Revenue Authority (GRA) indicates that through the Authority’s Tax Identification Number System (TIN) it will begin to clamp down on some businesses and individuals evading taxes in the country. A source closed to the GRA disclosed to Al-Hajj that this will commence with the re-registration of individuals and institutions which will be made public soon. The TIN is a unique Identification Number issued to tax payers for official transactions such as the clearing of goods in commercial quantities from the ports and factories. According to the Division, some companies and individuals have of late resorted to subtle ways to avoid honoring their tax obligations to the state. It has been discovered according to the Authority that, some individuals and companies have more than one TIN, making it extremely difficult to trace them for purposes of taxation. In this regard the GRA under the E-Gov project has sent new registration forms to many of the district tax offices

and will soon announce the date for the new registration to begin. The exercise according to The Al-Hajj source will cover just Accra and Tema for now before a national programme is rolled out. The Acting Commissioner –Domestic Tax Revenue Division, Comfort Boahene-Osafo, later told the Al-Hajj in a telephone interview that her outfit has taken serious note of the activities of such companies and individuals and has initiated moves to clean up the system.

“We have identified most of these companies and people and we are sure that this system will work. Latest in the next few weeks we can start with the programme and this will enhance the collection of taxes in the country,” she said. The Revenue Authority (GRA) expects over 35% growth in revenue for 2012, betting on intensified arrears collection and monitoring to ensure compliance by large tax payers. GRA Commissioner- General, George Blankson also has in a separate telephone interview indicated that management is devising strategies to increase revenue mobilization. He said “the GRA would focus attention on streamlining the operations of the customs bonded warehouses, VAT refunds, issuance of permits and the communications service tax to boost revenue collection”. **Source:** www.gra.gov.gh. 2011

2.8 Revenue Mobilization under an Integrated Authority, Benefits and Challenges

Africa entered the new millennium with an improvement in economic performance as well a renewed optimism regarding the development prospects for the region. However, the growing recognition that if African countries are to sustain the current growth momentum, or improve upon their recent performances, there has to be significant efforts to mobilize adequate resources to make public and private investments necessary to accelerate growth and engender development.

Despite the progress that has been made in scaling up aid to Africa in recent years, there is growing concern that the current global financial crisis would have negative effects on development finance in the region. There is already evidence that trade credit is drying up in several countries and all indications are that the slowdown in economic activity in the industrial countries resulting from the crisis will reduce foreign direct investment flows, exports, remittances, tourism with serious negative effects on growth. This changing external environment has put pressure on African governments to search for alternative sources of financing for development as well as implement policies that would boost resources flows to the region. Clearly any long run strategy to increase the resources available for development in Africa must be anchored on boosting domestic resources mobilization because it is the only meaningful way to achieve long-run sustained growth and development. It also ensures that a country has full ownership of its development policies and programmes. Lack of full ownership of development programmes prevents countries from adopting policy paths that are in their best interest thereby putting their development goals at risk. Permit me to replace Africa with Ghana and the ECA quotation will be true for us. Ghana has experienced increase in government revenue despite a fall in share of trade taxes due to trade liberalization and declining corporate tax rates in an effort to attract foreign direct investment. Ghana has broadened its tax base through the adoption of a Value Added Tax (VAT) and a higher reliance on direct taxes such as personal and corporate income taxes, with improved tax administration and further more international corporation efforts should be made to strengthen international action to combat harmful tax practices, and tax evasion and fraud, and to repatriate illegally acquired assets, through increased transparency and the exchange of information, and more effective control mechanisms.

Integrated Revenue Authorities in Africa are Uganda, Zambia, Tanzania, South Africa, Namibia, Lesotho, Botswana, Ethiopia, Malawi, Sierra Leon, Gambia, Angola, Rwanda,

Burundi, Kenya, Ghana – 2010, Liberia – 2011 and Nigeria ongoing. Reference can be made to the list of figures in the appendix on tax performance of Uganda, Zambia, Rwanda and Ghana on pages’ 61-63 from tables 6. 2.1- 6.2.4.3.

2.9 Rationale for Independent Revenue Authority

The following are the rationale for establishing independent revenue authority

To modified Civil Service Department status with modification made (primarily in areas such as discipline, remuneration and access to assured funding) to meet the specific needs of revenue collection function;

- Establishment of a joint or two separate Executive Agency of government;
- Establishment of semi-autonomous authorities for either or both of the primary revenue functions of income tax, customs and sales tax /VAT when it is established; and the complete or partial privatization of the tax collection function.

Benefits: There benefits outline during the conference were as follows;

GRA project governance

1. Revenue Integration and Modernization (merger of IRS & VATS, strengthening of LTO, taxpayer segmentation (LTO/MTO/STO) synergy and customs modernization, Human Resources & Organizational development
2. Information Technology
3. Customer Service
4. Assets Management

Ghana Revenue Authority Challenges

- Project management and funding / budget
- Cultural baggage (IRS/VATS/CEPS/RAGB) and integrity
- Organizational structure (approx 7,000 staff) and work plan – sequencing/Time

- Tax efficiency, effectiveness and tax education

Source: Chartered Institute of Taxation (Ghana) Annual Tax Conference from Wednesday 29th - 31st August 2012; Presented by: Dr. Edward Larbi-Siaw (Ministry of Finance and Economic Planning).

2.10 History of Taxation in Ghana

The early form of taxation in the Gold Coast was Indirect Tax in the form of Customs duty in 1850. It was levied on imported goods at the rate of ½% ad valorem. This was introduced by the British after they have taken over from the Danish forts and trading posts to meet the cost of administering the colonies. Governor Major S. J. Hill met the chiefs after he has arrived into Gold Coast with the aim of introducing the poll tax in April, 1852. A poll tax is a tax of a fixed amount collected from every citizen of a country.

The chiefs accept the idea and proposed that the proceeds from the tax collected would be used in providing health facilities, education and others amenities for the people and more importantly, the chiefs would be paid stipends allowances if they help in collecting the taxes. The rate was one shilling per head for every man, woman and child living in the British protected areas. The actual collection from August, 1852 to July, 1853 was 460,656 pounds but it was considered to be a promised start and the promised mad to the Chiefs were not fulfilled and by 1862 collection had ceased. In 1877, there was attempt to reintroduce the poll tax but failed. Governor Sir William Maxwell decided to introduce the general direct taxation but died.

In September, 1931, Governor Sir Ransford Slater also attempted to introduce income tax into the Gold Coast. After the introduction, things did not work perfectly for the governor due to economic depression and assessing the situation decided to withdraw the income tax proposals but instead a tax on cocoa export was adopted or imposed.

In 1943, however, because of the effect of the 2nd World War, the price of cocoa fell to 30 pounds per ton and the government needed 800,000 to balance the budget. (Source: Akoto, 2010)

There was no other source to consider, the only options available was to cut its expenditure on social services and the imposition of income tax.

In 23rd February, 1943, Sir Allan Burns opted for the income tax and met with the legislative and addresses the 29 members of the legislative Council and said, “We must face the fact that we are budgeting for deficit and although our existing Reserves permit us to do so for a time this cannot continue indefinitely. The only possible alternative to cutting down expenditure which can be affected only by an undesirable reduction in public services is additional revenue from taxation.” The income tax bill went through various stages in the council without much difficulty and became law on 22nd September 1943. The agency responsible for collection of the income tax was Income Tax Department. It was later renamed as Central Revenue Department with effect from 1st July 1963 to collection property tax – 1961; entertainment duty – 1962; Airport tax – 1963; Excess profit tax – 1963; hotel customers’ tax – 1963 and Standard Assessment in 1963.

With the re-organization of the Central Revenue Department, the name was changed to Internal Revenue Service with effect from 1st July, 1986 by PNDCL 143 (The Internal Revenue Service Law, 1986). They were tasked to administer the following taxes; income

tax, employees and self-employed taxes, Companies tax, Capital gains tax, gift tax, mineral royalties, stamp duty as well as hotel & restaurant tax.

Some of the speeches are, the later Sir Arku Korsah said; “In consequence of the prevailing trade depression, the average taxpayer is earning 50 percent less than he was earning a few years ago.... And it is upon the taxpayer who is now reduced almost to a state of penury that the government seeks to impose Income tax.”

Again Nana Annor Adjaye also said this; “If the story of income tax goes into the ears of our people whom we represent, I am afraid there will be a great commotion in the country.... At the present time, the country is on fire and it would be unwise to increase the conflagration. The burden of taxation is a very heavy one since it is lifelong. We have enough yokes to bear. Let us not increase them”.

Mr. Justice Oliver Wendell Holmes, an American famous judge outlines the reasons why taxes must be paid and said, “Taxation is the price we pay for living in a civilized society”. Taxes are compulsory payments for which no value or service has to be rendered in return. Taxation is based on an arbitrary system of laws passed by Parliament and interpreted by the Judiciary, giving effect to what one must assume to be the democratic will of the citizens.

What is tax? A tax is a financial charge or other levy imposed on an individual or a legal entity by a state. Taxes consist of direct tax or indirect tax. Tax may be defined as a “pecuniary burden laid upon individuals or property to support the government a payment extract by legislative authority. A tax “is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority” and is “any contribution imposed by government.”

Tax Haven is a place where certain taxes are levied at low rate or not at all.

The Organization for Economic Co-operation and Development (OECD) identifies three key factors in considering whether a jurisdiction is a tax haven.

- i) No or only nominal taxes. Tax heavens impose no or only nominal taxes (Generally or in special circumstances) and offer themselves, or are perceived to offer themselves, as a place to be used by non-residents to escape high taxes in their country of residence.
- ii) Protection of personal financial information. Tax havens typically have laws or administrative practices under which businesses and individuals can benefit from strict rules and other protections against scrutiny by foreign tax authorities. This prevents the transmittance of information about taxpayers who are benefiting from the low tax jurisdiction.
- iii) Lack of transparency: A lack of transparency in the operation of the legislative, legal or administrative provision is another factor used to identify tax havens. The OECD is concerned that law should be applied openly and consistently, and that information needed by foreign tax authorities to determine a taxpayer's situation is available. Lack of transparency in one country can make it difficult, if not impossible, for other tax authorities to apply their laws effectively. 'Secret rulings', negotiated tax rates, or other practices that fail to apply the law openly and consistently are examples of lack of transparency. Limited regulatory supervision or a government's lacks of legal access to financial records are contributing factors.

2.10.1 Canons of Taxation

The four canons of taxation were provided by Adam Smith a classical economist. These four canons are Equity or Fairness, Certainty, Convenience and Economy/Efficiency.

Equity or Fairness: It simple means that taxation must be proportional to ones income that is the higher the income the greater the tax and the lower the income the smaller the tax. There are two types of equity and there is vertical equity which means individuals with higher levels of income should pay more taxes. It is based on ability to pay. It is a strong basis for redistribution of income. And the horizontal equity also means taxpayers with approximately the same level of income should pay equal amount of tax.

Certainty: This implies that the amount of tax paid must be certain. The tax collector must not cheat the taxpayer. The taxpayer must be certain on the rate of tax, the time of payment and place of payment. Taxation is not based on arbitrary assessment or extortion.

Convenience: It means that payment of tax should cause the least inconvenience to the taxpayer. All bottlenecks should be removed and income tax forms must be simplified. Both taxpayer and tax administrator must not be inconvenienced. Measures must be put in place to facilitate the payment and collection of tax.

Economy: This also implies that the cost of collection should form a small fraction of the amount collected. The administrative cost of collection should be minimal, (Akoto, 2010).

2.11 Offences and Penalties of the GRA

OFFENCES	PENALTIES
Failure to maintain records	5% of tax payable by that person for each
Failure to furnish a return by due date	For each day that the return remains outstanding – a penalty of GH¢2.00 in the case of companies and GH¢1.00 in the case of self-employed.
Failure to pay income tax on due date	Failure of not more than 3 months penalty of 10% plus unpaid tax. Failure exceeding 3 months penalty of 20% plus unpaid tax.
Failure to pay withholding tax on due date	Failure of not more than 3 months, penalty of 20% plus unpaid tax. Failure exceeding 3 months penalty of 30% plus unpaid tax.
Self-Assessment understating estimated tax payable by installments	30% of the different between tax in respect of the estimate chargeable income and the tax calculated on 90% of the actual chargeable income, where the estimated chargeable income is less than 90% of actual chargeable income.
Making false or misleading statement	Double or treble the amount of the underpayment of the tax, which may result if not detected.

Source: (Akoto, 2010)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This area of the study describes the research methodology that was used to collect relevant data for the study. This includes research design, the population, sample size and sampling techniques, research instruments, data collection procedure and data analysis.

3.2 Research Design

The design for the research was descriptive. Descriptive study involves gathering data that describe events and then organizes, tabulates, depicts and describes that data collection (Glass and Hopkins, 1984).

Creswell (2003) defines descriptive survey as a method of collecting data for the purpose of testing hypothesis or answering research questions concerning the current status of the subjects under study.

The descriptive survey is associated with some demerits; (Setert and Hofnung 1997) maintained that there is difficulty of ensuring that the questions to be answered in descriptive survey are clear and not misleading. This is because survey reports can vary significantly because of the exact wording of the questions.

Newman (2003) also claims that the methods may produce unreliable results due to the questions asked end into private affairs that people or respondents are not willing to talk about or fear of their bosses for dismissal.

The descriptive survey is found to be most appropriate for the study. It is due to the fact that the design is considered to be relatively easy to conduct because data are fairly easy to obtain and interpret by the use of simple descriptive statistics (Blaike, 2000; Sarantakos, 2006). The descriptive has a merit of producing a good amount of responses from a wide range of tax officials, collectors, assessors and the taxpaying public in the country as well as Regional GRA Office at Kumasi on issue pertaining to effectiveness and efficiency in tax collection under the integration or under the new structures put in place. With regard to the design adopted, the researchers sought to describe the various benefits and challenges of the Ghana Revenue Authority (GRA) and how efficient and effective they have been since the integration of the revenue agencies. This was important as GRA with the nature of their job have high risk of mismanagement of funds and corruption. The study based on the various measures been put in place to control and address the likelihood of all these problems.

3.3 Population

In this study, the researchers came out with a reasonable conclusion pertaining to the topic “The benefits and challenges of Ghana Revenue Authority”. The Kumasi metropolis of the GRA was chosen as the population for the study. The population of the study constitutes the group of persons or institution that defines the objects of the investigation (Patton, 2002). The Management and Chief Tax Inspectors of GRA offices in the metropolis form the population for the study. The management and the chief tax inspectors constitute 50.

3.4 Sampling Method

In fact the study covers such a large area, not all the respondents can be included in this study. It was important to draw a sample from the population. Both probability and non-

probability methods were employed to select the sample for the study. The random probability sampling was used to select tax experts.

In terms of the non-probability method, the purposive sampling method was used to select management and chief tax inspectors of the GRA in Kumasi. This brings the total number selected for the study to be forty (40). The purposive sampling method is used because it is deemed the best means of getting respondents who are experts and knowledgeable with the subject matter of interest (Sarantakos, 2006).

3.5 Data Compilation Instruments

The questionnaires were administered by the researchers which contained series of structured questions which were related to the research area and directed to respondents with the goal of gaining first hand information. It consisted of both open ended and close –ended questions and with respect to questions that entail a ‘Yes’ or ‘No’. The questionnaire afforded respondents much liveness and solitude in answering the questions devoid of any unwarranted pressure.

3.6 Sources of Data

3.6 .1 Secondary Sources of Data

The source of secondary data for this study consists of GRA Journals, official website of Ghana Revenue Authority and other revenue mobilization publications. Data was also collected from academic journals and papers that feature articles on new tax administration in revenue mobilization and a numerous research works that have been published on the subject in the electronic media. The advantages associated with this method among other sources of data collection are outlined as follows: It is always available and is usually quite inexpensive.

The collection of the data and its analyses saves time, energy and resources. This data is very ordinary. It is easily available and every researcher can get it without much effort.

3.6.2 Primary Sources of Data

The source of primary data was predisposed by the volume of the population, and subject under review, the researchers found it necessary to use a structured questionnaire.

For the purpose of this study, primary data comprised of responses obtained through questionnaire administered to target respondents under study. The merits associated with this instrument include access to direct data or responses from the chosen respondents, unbiased information and original data is guaranteed. One of the demerits of primary sources of data is where respondents were not met at all or sometimes misplaced their questionnaire which needs to be replaced with new ones.

3.7 Data Analysis

The data collected from the field was analyzed using descriptive statistics. The SPSS was employed to process and analyze the data to generate frequencies, percentages and tables were used to present the results of this study.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.0 Introduction

This chapter focuses on the analysis of the data collected from the field of study according to the responses given by the respondents. In all 40 questionnaires were administered. In this segment, efforts were made to give suggestions to the facts collected from the field. To do this, the responses were grouped into discrete variables like sex, marital status, age group etc. The data was analyzed using statistical tools like tables, bar charts, percentages.

4.1 Distribution of Respondents:

The responses are distributed based on the various features.

Table 4.1 Sex of Respondents

The variables of male and female were used to obtain responses on sex of respondents.

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	34	85.0	85.0	85.0
Female	6	15.0	15.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

With respect to the sex of the respondents, 34 males out of the 40 respondents constituted 85% while 6 females also constitute 15%.

From the above analysis, the male dominates so therefore we can conclude and accept the concepts of the integration of the revenue agencies and confirm the effectiveness and efficiency of revenue mobilization.

Table 4.2 Marital Status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	9	22.5	22.5	22.5
Married	30	75.0	75.0	97.5
Other	1	2.5	2.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From table 4.2, 30 respondents are married people which constituted 75% and 9 respondents are singles which constituted 22.5% and the remaining 2.5% represents the other respondents.

Table 4.3 Level of Education of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Degree	26	65.0	66.7	66.7
Diploma	5	12.5	12.8	79.5
SSSCE/O'Level/RSA	3	7.5	7.7	87.2
Other Specify	5	12.5	12.8	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

The integration of the revenue agencies are impacted by the level of education of the staff (Collectors). Once again education forms part of the integration and revenue mobilization in the economic development of most countries. To this end, the study sought information on the level of respondents. The outcomes of the research are presented in table 4.3

The responses from the respondents as shown in table 4.3, the highest qualification is the degree with 66.7% and both ‘diploma’ and ‘other specify’ holders had 12.8% respectively whilst the SSSCE/O’Level /RSA also represented 7.7%.

Tables 4.4 Respondents who are you currently working with the GRA?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	39	97.5	100.0	100.0
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

The table 4.4 shows that all the respondents are working with the Ghana Revenue Authority which represents 97.5% with only one respondent who did not answer the questionnaire. We therefore have the confidence that all the questionnaires were answered by knowledgeable tax experts.

Table 4.5 Previously, which of the division do you belong to?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid IRS	14	35.0	35.0	35.0
VAT	10	25.0	25.0	60.0
CEPS	16	40.0	40.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

Table 4.5 has three divisions which are erstwhile IRS, VAT and CEPS but these have been categorized into two as Domestic Tax Revenue Division (IRS and VAT) and Customs Division (CEPS). Those who belong to the IRS and VAT have the highest percentage of 60 and the Customs division scoring 40%.

Table 4.6; How long have you been working with the GRA?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-10 years	18	45.0	45.0	45.0
11 - 20 years	12	30.0	30.0	75.0
21 -30 years	8	20.0	20.0	95.0
31 and above	2	5.0	5.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From the responses received, as indicated in table 4.6, we identified 1-10 years as the longest working years representing 45% and then followed by 11-20 years indicating 30%, 21-30 years also scored 20% and 31 and above got the remaining 5%.

Table 4.7; Since the integration of Ghana Revenue Authority, in your view has there been an increase in the level of revenue collection?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	19	47.5	47.5	47.5
No	3	7.5	7.5	55.0
No Idea	18	45.0	45.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

Table 4.7 shows that 47.5% of the respondents said ‘yes’ this means that the revenue level has been increased since the integration of the revenue agencies whilst 45% respondents said ‘no idea’ which also means that these people cannot either say it has increased or not. The

7.5% respondents are saying ‘no’ because, since the integration of the three agencies revenue collection has not been increased.

Table 4.8; Since the integration of GRA, in your view has there been challenges with data sharing?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	15	37.5	37.5	37.5
No	8	20.0	20.0	57.5
No Idea	17	42.5	42.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

The information contained in table 4.8 indicates that 37.5% of the respondents responded ‘yes’ showing that since the integration of GRA, there have been challenges with data sharing among the various divisions whilst 20% of the respondents indicated ‘no’ signifying that there have been no challenges of data sharing since the integration the GRA. 42.5% respondents said they have no idea concerning the challenges of data sharing.

Table 4.9; Since the integration of GRA, in your view has there been losses of revenue?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	2	5.0	5.0	5.0
No	18	45.0	45.0	50.0
no idea	20	50.0	50.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

Table 4.9 telling us that 45% of the respondents said ‘no’ meaning since the integration of GRA, there have been no losses of revenue whilst 2% who responded ‘yes’ and 50% of the respondents said no idea.

Table 4.10; Since the integration of GRA, in your view has there been difficulty with documentation?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	12	30.0	30.8	30.8
No	17	42.5	43.6	74.4
no idea	10	25.0	25.6	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

Table 4.10 indicates the position of the respondents and those who say ‘yes’ represents 30% which means that there is difficulty with documentation whilst 42.5% says ‘no’ and ‘no idea’ had 25%. We can therefore conclude that there is no difficulty with documentation with the integration of the GRA.

Table 4.11; Since the integration of GRA, in your view has there been an effective and efficient work schedule?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	16	40.0	41.0	41.0
No	13	32.5	33.3	74.4
no idea	10	25.0	25.6	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

According to the respondents as indicated in table 4.11, the option ‘yes’ had 40%, which means that since the integration, there have been an effective and efficient work schedule but 32.5% responded ‘no’ and 25% opted for no idea about the effective and efficient work schedule of the GRA and one person did not answer the question. We will agree with the 40% that there has been effective and efficient work schedule under the integration.

Table 4.12; How do you measure the new system with respect to the old one?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Beneficial	19	47.5	48.7	48.7
	Non-beneficial	7	17.5	17.9	66.7
	Average	13	32.5	33.3	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		

Source: Field Data 2013

Respondents of 47.5% are of the view that the new system is beneficial whilst 17.5% of the respondents, said that the new system is non-beneficial and the average obtained 32.5% as indicated in table 4.12. We will say that despite the fact that the option ‘beneficial’ did not reach 50% we have the confidence that the new system is beneficial.

Table 4.13; Will tax compliance cost be reduced with the integration?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	67.5	71.1	71.1
	No	11	27.5	28.9	100.0
	Total	38	95.0	100.0	
Missing	System	2	5.0		
Total		40	100.0		

Source: Field Data 2013

It is obvious that 67.5% respondents opted for ‘yes’ meaning the tax compliance cost will be reduced with introduction of the Ghana Revenue Authority and the 27.5% of the respondents said no. We can conclude by saying that the integration will automatically reduce tax compliance cost which would be a plus to the GRA according to table 4.1.13.

Table 4.14; Will there be a holistic approach to domestic tax and customs administration?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	31	77.5	77.5	77.5
No	9	22.5	22.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From the table 4.14, ‘yes’ represents 77.5% and no represents 22.5% indicating that the former is of the view that there will be a holistic approach to domestic tax and customs administration under the integration but the later disagree with the holistic approach notion. Based on the information gathered we can say that there will be a holistic approach to tax administration.

Table 4.15; Will the GRA provide a single source for tax enquiries?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	32	80.0	80.0	80.0
No	8	20.0	20.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From the table provided above 80% of the respondents who responded ‘yes’ are of the view that the GRA will provide a single source for tax enquiries whilst 20% of the respondents said ‘no’ to the question of a single source for tax enquiries.

Table 4.16; Will there be a one-stop-shop service for taxpayers for the submission of returns and payments?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	33	82.5	82.5	82.5
No	7	17.5	17.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From the table 4.16 above, the ‘yes’ respondents are of the notion that there will be one-stop-shop service for taxpayers for the submission of returns and tax payments. The yes represents 82.5% and the ‘no’, 17.5%.

Table 4.17; How will the tax officials be trained to have good rapport with taxpayers?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Workshops	20	50.0	51.3	51.3
Seminars	15	37.5	38.5	89.7
Conferences	4	10.0	10.3	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

Table 4.17 indicates that 50% of the respondents are of the view that the tax officials would have to be trained to have good rapport with taxpayers through workshops, while training by ways seminars and conferences had 37.5% and 10% respectively. We can say that the workshops and seminars will be the best options to be used as training tools of the tax officials in order to have good relationship and rapport with the taxpayers.

Table 4.18; Has the staff been motivated enough in order to work with integrity?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	13	32.5	34.2	34.2
No	25	62.5	65.8	100.0
Total	38	95.0	100.0	
Missing System	2	5.0		
Total	40	100.0		

Source: Field Data 2013

As table 4.1.18 has indicated, 62.5% of the respondents who said ‘no’ are of the view that staff has not been motivated enough in order to work with integrity whilst 32.5% who said ‘yes’ are of the notion that staff has been motivated enough to work with integrity. The conclusion is that there has not been enough staff motivation as indicated in the table above.

Table 4.19; Will the problem of tax avoidance and tax evasion be reduced under the GRA?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	25	62.5	64.1	64.1
No	14	35.0	35.9	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

From the table 4.1.19 above, 62.5% of the respondents are of the view that the problem of tax avoidance and tax evasion by the public will be reduced with the integration of Ghana Revenue Authority whilst 35% of the respondents said the problem of the tax avoidance and tax evasion will not be reduced. We can confidently say that tax avoidance and evasion will surely be reduced under the new tax reforms.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This section of the research presents the summary of findings and conclusions that was drawn by the researchers from the study. It again provides some recommendations on how to achieve tax efficiency and effectiveness under the Ghana Revenue Authority.

The main purpose of the study was to identify the benefits and challenges of the Ghana Revenue Authority and assess its current performance.

This research came out with the profiles of the Ghana Revenue Authority and others by answering some basic questions outlined for the assessment or evaluation, the findings of the study conducted will in many ways help to strengthen the GRA and improve the revenue mobilization processes and procedures in the tax administration in the country.

5.1 Findings

1. The results of the evaluation indicated that majority of the respondents were in agreement with the integration. Almost all the respondents are workers of the Ghana Revenue Authority.
2. Again, it was found that not all the labour force had undergone training with respect to the integration of the GRA.
3. The integration has increased revenue collection and customer complaints had also reduced.
4. The researchers were able to find out that there were no difficulties with documentation and the working schedule has also improved positively.

5. The researchers also found out that there was effective coordination among the divisions.
6. There will be equitable distribution of tax burden, greater transparency and integrity with the establishment of the GRA.
7. The responses from the respondents showed that there were problems with the data sharing among the various divisions under the Ghana Revenue Authority.
8. The integration has enabled the divisions to build strong relationships among the staff and the flow of information sharing processes has not received its full connectivity.
9. Tax compliance cost will be reduced under the integration of the revenue agencies. Also there will be a holistic approach to the administration of the revenue agencies.
10. The tax officials will be trained through workshops and seminars in order to equip them. Majority of the findings from the tax experts showed that inadequate staff motivation has accounted for the inducement and corruption in the tax administration.
11. The new system has not been fully automated in the metropolis; however, the integration will be able to reduce tax avoidance and evasion as well as smuggling of goods.

5.2 Conclusions

We can conclude that the integration of the Ghana Revenue Authority will be beneficial to both taxpayers and the staff of the various divisions. However, we believe that all is not well with the integration of the Ghana Revenue Authority but we hope that the leadership will identify all its internal weaknesses and strengths to improve upon their revenue mobilization. Again, it can be concluded that tax education and training and development of tax officials is insufficient for effective mobilization of tax revenue. Lack of staff motivation will be at the edge of increasing bribery and corruption in tax administration.

5.3 Recommendations

Based on the summary of findings and conclusions, the following recommendations are outlined;

1. There should be strict enforcement of tax compliance, laws and reduction in administration bottlenecks for easy processing of returns and payments of taxes.
2. The tax education in the metropolis, tax procedures and policies should be intensified. All stakeholders in metropolis should be called upon to assist in the revenue mobilization in order to develop the nation.
3. The GRA should motivate its staff in terms of good working conditions and better end of service benefits. The GRA should provide enough logistics for effective and efficient mobilization of revenue.
4. The automation of the GRA tax administration should be fully implemented to cover the entire metropolis.
5. Data sharing and flow of information should strongly be managed by networking all the divisions under the GRA to reduce the problem.
6. The GRA should ensure that there is a common tax procedure that will enable taxpayers to be governed by a single set of rules and provide outlet to widen the tax net.
7. In addition to the above, we recommend that qualified and technical tax experts should be employed by the GRA to enhance good assessment of taxes.
8. The Medium Tax Payers and Small Tax Payer concept should be given the urgent attention and support for effective and efficient mobilization of revenue.
9. The GRA should put in place proper control and monitoring mechanism in order to encourage taxpayers and check the performance of its staff.

All these recommendations if well implemented will help the GRA in the metropolis to be efficient and effective in the collection of taxes.

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APPENDIX I

QUESTIONNAIRE

BENEFITS AND CHALLENGES OF THE INTEGRATION OF GHANA REVENUE AUTHORITY (IRS, VAT & CEPS) – A CASE STUDY OF KUMASI METROPOLIS

Please tick the appropriate box or the space provided

1. Sex: Male Female
2. Marital Status: Single Married Divorced Other
3. Age group: 20-29 , 30 – 39 , 40 – 49 and 50 – 59
4. Qualification: Degree Diploma SSSCE/O'Level/RSA Other specify
5. Are you currently working with the Ghana Revenue Authority? Yes No
6. Previously, w division did you belong to? IRS VAT CEPS
7. How long have you been working with the GRA?
1 – 10yrs. , 11 – 20yrs. , 21 - 30yrs. , 31 & above
8. Did you undergo any training in respect of the integration? Yes No
9. If yes in (q8) were you well abreast after the training? Yes No
10. Since the integration of GRA, in your view has there been;
 - (i) Increase in the level of revenue collection? Yes No
No idea
 - (ii) Increase in customer complains? Yes No No idea
 - (iii) Positive improvement upon the working schedule? Yes No
No idea
 - (iv) Challenges with data sharing? Yes No No idea
 - (v) Losses revenue? Yes No No idea
 - (vi) Difficulty with documentation? Yes No No idea
 - (vii) An effective and efficient work schedule? Yes No No idea

- (viii) Effective coordination amongst the various divisions? Yes No
 idea
11. Will there be equitable distribution of tax burden, greater transparency and integrity under the tax reform? Yes No
12. Will revenue mobilization of the GRA be more efficient and effective? Yes No
13. How do you measure the new system with respect to the old one?
 Beneficial Non-beneficial Average
14. What are your reasons for choice of option above?.....

15. How does information flow among the departments under the GRA?
 Daily Weekly Quarterly Monthly No idea
16. Will tax compliance cost be reduced with the integration? Yes No
17. Will there be a holistic approach to Domestic Tax and Customs Administration?
 Yes No
18. Will the GRA provide a single source for tax enquiries? Yes No
19. Has the integration helped to widen the tax net? Yes No
20. Will there be one-stop-shop service for taxpayers for the submission of returns and payments? Yes No
21. Will there be common tax procedures that will enable taxpayers to be governed by a single set of rules? Yes No
22. Have there been losses of revenue through corruption under GRA tax administration?
 Yes No
23. How will the tax officials be trained to have good rapport with taxpayers?
 Workshops Seminars Conferences
24. Has political interference reduced smooth tax collection? Yes No

25. Have the staff been motivated enough in order to work with integrity? Yes No

26. Has the integration of the GRA been rolled out in the Kumasi metropolis? Yes

No

27. Will the problem of tax avoidance and tax evasion be reduced under the GRA?

Yes

No

28. Has the GRA automated its tax administration in the metropolis? Yes No

29. Will the GRA reduce smuggling of goods on our borders? Yes No

30. Should there be any recommendation from you, what will be your statement?

.....
.....

APPENDIX II

TAX PERFORMANCE OF USA IN 2010

S/No	TAXES	AMOUNT IN \$	PERCENTAGE
1	Individual Income	899	41
2	Payroll	865	40
3	Corporate Income	191	9
4	Other Taxes	122	6
5	Excises	67	3
6	Estate and Gift	19	1
	TOTAL	2,163bn	100

Source: Federal Government Receipts 2010

2011 TAX PERFORMANCE OF GHANA REVENUE AUTHORITY

S/No	Details	Target	Actual	Variance	Actual %	Excess %
1	Domestic Taxes					
(a)	Direct Taxes	3,130.38m	3,733.94m	603.56m	119	19
(b)	Indirect Taxes	1,345.76m	1,367.64m	21.88m	102	2
2	Customs	3,068.49	3,604.82m	536.33m	117	17
	TOTAL	7,544.63m	8,706.39m	1,161.77m		

Source: www.gra.gov.gh

ANNUAL TAX RATES – EFFECTIVE 9 MARCH 2012

	Chargeable Income GH¢	Rate (%)	Tax GH¢	Cumulative Chargeable Income GH¢	Cumulative Tax GH¢
First	1,440	Free	Nil	1,440	Nil
Next	720	5	36	2,160	36
Next	1,008	10	100.80	3,168	136.80
Next	25,632	17.5	4,485.60	28,800	4,622.40
Exceeding	28,800	25			

6.1.4; MONTHLY TAX RATES

	Chargeable Income GH¢	Rate (%)	Tax GH¢	Cumulative Chargeable Income GH¢	Cumulative Tax GH¢
First	120	Free	Nil	120	Nil
Next	60	5	3	180	3
Next	84	10	8.40	264	11.40
Next	2,136	17.5	373.80	2,400	385.20
Exceeding	2,400	25			

6.2; COMPARATIVE REVENUE FIGURES

6.2.1; UGANDA REVENUE AUTHORITY

FISCAL YEAR	REVENUE (UGX) Bu
1991/92	180.46
1992/93	282.60
1993/94	373.35
1994/95	506.99
1995/96	611.70
1996/97	728.35
1997/98	797.43

6.2.2; RWANDA REVENUE AUTHORITY

FISCAL YEAR	REVENUE (R w f Bu)
1998	62.65
1999	61.18
2000	68.00
2001	88.00
2002	98.50
2003	119.10
2004	136.20
2005	173.50
2006	198.20
2007	246.95

6.2.3; ZAMBIA REVENUE AUTHORITY

FISCAL YEAR	REVENUE (K. Billion)
1994	421.00
1995	553.00
1996	731.00
1997	954.00

6.2.4; GHANA REVENUE AUTHORITY

6.2.4.1; First Reform

FISCAL YEAR	REVENUE (Cedis - Billion)
1986	61.36
1987	94.58
1988	124.86
1989	177.71
1990	219.60
1991	319.50

6.2.4.2; Second Reform

FISCAL YEAR	REVENUE (Cedis - Billion)
2002	860.80
2003	1,278.28
2004	1,686.50
2005	2,057.60
2006	2,370.82
2007	3,040.26
2008	3,743.76
2009	4,625.88

6.2.4.3; GHANA REVENUE AUTHORITY PERFORMANCE 2010 – 2012

FISCAL YEAR	REVENUE (Cedis - Billion)
2010	6,294.70
2011	9,614.04
2012	11,560.00 (estimate)

Source: Chattered Institute of Taxation (Ghana) Annual Tax Conference from Wednesday 29th - 31st August 2012; Presented by: Dr. Edward Larbi-Siaw (Ministry of Finance and Economic Planning)

Table 6.3; GRA'S COURT SANCTIONS

OFFENCES	PENALTIES
Failure to comply with the Act (Section 148)	Where the underpayment is more than GH¢500, a fine of between GH¢100 – GH¢600. In any other case – a fine of between GH¢20. – GH¢200
Failure to pay tax (Section 149)	Where the amount involved is more than GH¢100 – a fine of between GH¢50 – GH¢200 or term of imprisonment between 3 months and not more than one year or to both. In any other case – a fine of between GH¢10 – GH¢50 or imprisonment between one – three months or to both.
Making false or misleading statement (Section 150)	Where the statement or omission is made without reasonable excuse, resulting in underpayment of tax exceeding GH¢100. A fine of between GH¢50 – GH¢200 or imprisonment between 3 months – 1 year or to both. In any other case, a fine of between GH¢10 – GH¢50 or imprisonment between one year – three month or to both. Where the offence is made knowingly or recklessly and the resultant underpayment of tax is more than GH¢100, a fine of between GH¢100- ¢400 or imprisonment between 1year – 2years or to both. In any other case – a fine of GH¢20 –GH¢100 or imprisonment between 6months – 1 year or to both.
Impeding tax administration	Where a person without reasonable excuse obstructs an officer of GRA in the performance of duties under the Act or impedes the administration of the Act, commits an offence and is liable to a fine of between GH¢50 – GH¢400 or imprisonment of not more than 2 years or to both.
Aiding and abetting	A person who aides or abets another person to commit an offence which results in an underpayment of tax exceeding GH¢100 is liable to a fine of GH¢100 – GH¢200 or imprisonment of between 1 year – 2 years or to both. In any other case, a fine of between GH¢20 – GH¢100. or imprisonment of between 6 months – 1 year or both.

Table 6.4; Age Group of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20-29	2	5.0	5.0	5.0
30-39	16	40.0	40.0	45.0
40-49	12	30.0	30.0	75.0
50-59	10	25.0	25.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

The table 6.4 showed that 40% of the respondents fall between the age group of 30 – 39 years while 30% fall within age 40 – 49 years. The highest group falls between the ages of 30 – 39 years representing 40% which is 16 responses, 5% and 25% represent the age group of 20 – 29 and 50- 59 years respectively.

Based on the research, the modal class of ages of the staff is between 30 – 39 years. Most of the staff has accepted the integration despite the minor problems that is still in existence of the tax collection system. The bar chart in the appendix gives pictorial view of age composition.

Table 6.5; Did you undergo any training in respect of the integration?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	18	45.0	46.2	46.2
No	21	52.5	53.8	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

The table 6.5 indicates that 53.8% of the respondents are saying they did not undergo any training in respect of the integration whilst 46.2% responded that they have received training with respect to the integration. Only one respondent failed to respond to that question which has been indicated as missing system.

Table 6.6; If yes in (q8) were you well abreast after the training?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	40.0	55.2	55.2
	No	13	32.5	44.8	100.0
	Total	29	72.5	100.0	
Missing	System	11	27.5		
Total		40	100.0		

Source: Field Data 2013

Again, from table 6.6, 40% of the respondents say ‘yes’ that is they were well abreast with the training, 32.5% also says ‘no’ and the missing system represent those who did not provide any answer to the question showing 27.5%.

Table 6.7; Since the integration of GRA, in your view has there been effective coordination amongst the various divisions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	40.0	40.0	40.0
	No	11	27.5	27.5	67.5
	no idea	13	32.5	32.5	100.0
	Total	40	100.0	100.0	

Source: Field Data 2013

From table 6.7, it shows that 40% of the respondents who responded ‘yes’ are of the view that there have been effective coordination amongst the various divisions whilst 27.5% of the respondents who opted for ‘no’ are of the view that there have not been effective coordination between the divisions and the remaining 32.5% said they have no idea.

Table 6.8; Has there been losses of revenue through corruption under GRA tax administration?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	8	20.0	21.6	21.6
No	29	72.5	78.4	100.0
Total	37	92.5	100.0	
Missing System	3	7.5		
Total	40	100.0		

Source: Field Data 2013

From table 6.8, 72.5% of the respondents who said ‘no’ are of the view that there have not been losses of revenue through corruption under the GRA tax administration and those who responded ‘yes’ with 20% are also with the notion that there have been losses of revenue to the state through corruption under GRA concept.

Table 6.9; Will there be common tax procedures that will enable taxpayers to be governed by a single set of rules?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	33	82.5	82.5	82.5
No	7	17.5	17.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

As indicated in the table 6.9, the ‘yes’ respondents with 82.5% agreed that there will be common tax procedures and policies that will enable taxpayers to be governed by a single set of rules and the ‘no’ with 17.5% disagreed with the common tax procedures and policies.

Table 6.10; Has the integration helped to widen the tax net?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	25	62.5	65.8	65.8
No	13	32.5	34.2	100.0
Total	38	95.0	100.0	
Missing System	2	5.0		
Total	40	100.0		

Source: Field Data 2013

The respondents who responded ‘yes’ had 62.5% which means the integration of the GRA will help with the widening of the tax net and 32.5% of the respondents said ‘no’, that is the integration would not help to widen the tax net.

Table 6.11; Will there be equitable distribution of tax burden, greater transparency and integrity under the tax reform?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	30	75.0	75.0	75.0
No	10	25.0	25.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

Seventy –five (75%) of the respondents who responded ‘yes’ are of the view that there will be equitable distribution integrity of tax burden, greater transparency and whilst 25% of them responded ‘no’ which is shown in the table 6.11 above.

Table 6.12; Will revenue mobilization of the GRA be more efficient and effective?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	82.5	89.2	89.2
	No	4	10.0	10.8	100.0
	Total	37	92.5	100.0	
Missing	System	3	7.5		
Total		40	100.0		

Source: Field Data 2013

From the table 6.12, most of the respondents who opted for ‘yes’ which represents 82.5% are of the notion that revenue mobilization of the GRA will be more efficient and effective whilst 10% who said ‘no’ did not agree with the question and 7.5% did not provide any answer. We can conclude that with 82.5% yes, revenue mobilization of the GRA will be more efficient and effective.

Table 6.13; How does information flow among the departments under the GRA?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily	8	20.0	20.5	20.5
	Weekly	3	7.5	7.7	28.2
	Quarterly	1	2.5	2.6	30.8
	Monthly	5	12.5	12.8	43.6
	No Idea	22	55.0	56.4	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		

Source: Field Data 2013

Table 6.13 From above indicated that the flow of information amongst the departments under the GRA had a daily variable of 20% as compared to others such as weekly – 7.5%, quarterly – 2.5%, monthly – 12.5% and with no idea of 55%. It can be concluded that most of the respondents had no idea about the flow of information amongst the various departments.

Table 6.14; Since the integration of GRA, in your view has there been an increase in customer complaints?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	8	20.0	20.0	20.0
No	16	40.0	40.0	60.0
No Idea	16	40.0	40.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

The analysis in table 6.14 indicates that 20% of the respondents responded ‘yes’ which means customer complaints have increased whilst 40% of the respondents said ‘no’ and ‘no idea’ respectively. The 40% no means that since the integration in their view customer complaints have reduced drastically.

Table 6.15; Since the integration of GRA, in your view has there been positive improvement upon the working schedule?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	15	37.5	37.5	37.5
No	15	37.5	37.5	75.0
No Idea	10	25.0	25.0	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

From the table 6.15, we can see that 37.5% of the respondents are saying ‘yes’ the working schedule of the integration has improved positively whilst the same percentage of the respondents who said ‘no’ are against the positive results of the working schedule and no idea being 25%.

Table 6.16; **Has the GRA automated its tax administration in the metropolis?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	9	22.5	22.5	22.5
No	31	77.5	77.5	100.0
Total	40	100.0	100.0	

Source: Field Data 2013

22.5% of the respondents said that the GRA has automated its tax administration in the metropolis whilst those who opted for ‘no’ had 77.5% from the above table. We can therefore conclude that the tax administration has not been automated in the metropolis.

Table 6.17; **Will the GRA reduces smuggling of goods on our borders?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	19	47.5	52.8	52.8
No	17	42.5	47.2	100.0
Total	36	90.0	100.0	
Missing System	4	10.0		
Total	40	100.0		

Source: Field Data 2013

From table 6.17, we recognize that 47.5% of the respondents said that the GRA will be in a better position to reduce smuggling of goods on our borders in order to generate more revenue for the nation and 42.5% of the respondents are of the view that the existence of the GRA will not reduce smuggling of goods and service on our borders and remaining 10% did not respond to the question at all. The researchers are of the opinion that with the GRA, smuggling of goods will be reduced to its lowest level.

Table 6.18; Has political interference reduced smooth tax collection?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	20	50.0	51.3	51.3
No	19	47.5	48.7	100.0
Total	39	97.5	100.0	
Missing System	1	2.5		
Total	40	100.0		

Source: Field Data 2013

The ‘yes’ respondents with 50% are of the view that political interference has reduced the smooth tax collection and the ‘no’ respondents with 47.5% disagree with the statement above.

Table 6.19; Has the integration of the GRA been rolled out in the Kumasi Metropolis?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	14	35.0	36.8	36.8
No	24	60.0	63.2	100.0
Total	38	95.0	100.0	
Missing System	2	5.0		
Total	40	100.0		

Source: Field Data 2013

Table 6.19, points out that 60% responded ‘no’ and 35% responded ‘yes’ on the roll out of the integration of Ghana Revenue Authority in the Kumasi Metropolis. We are of the view that the process is gradually advancing in the metropolis and the impact will be felt after some time.