

**ARRANGEMENT OF SECTIONS**

*Section*

1. First Schedule to Act 896 amended
2. Second Schedule to Act 896 amended
3. Sixth Schedule to Act 896 amended



THE ONE THOUSAND AND SEVENTY-FIRST

# ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA  
ENTITLED

**INCOME TAX (AMENDMENT) (NO. 2) ACT, 2021**

**AN ACT** to amend the Income Tax Act, 2015 (Act 896) to review the rates of income tax for individuals; to reduce the withholding tax rate for sale of unprocessed gold by small scale miners; to increase the threshold for an individual to whom the presumptive tax under the Modified Taxation Scheme applies; to extend the COVID-19 concessions granted in 2021 for further six months in 2022 and to provide for related matters.

**DATE OF ASSENT:** *30<sup>th</sup> December, 2021.*

**PASSED** by Parliament and assented to by the President

**First Schedule to Act 896 amended**

1. The Income Tax Act, 2015 (Act 896) referred to in this Act as the “principal enactment”, is amended in the First Schedule
  - (a) by the substitution for the table in paragraph 1 (1), of

NO.	CHARGEABLE INCOME	RATE OF TAX
1	First GH ₵4,380	Nil
2	Next GH ₵1,320	5 per cent
3	Next GH ₵1,560	10 per cent
4	Next GH ₵ 36,000	17.5 per cent
5	Next GH ₵196,740	25 per cent
6	Exceeding GH ₵240,000	30 per cent

; and

(b) by the substitution for subparagraph (3) of paragraph 8, of

“(3). The rate of tax to be withheld from a payment under section 85(2) is one and a half per cent of the amount.”.

### **Second Schedule to Act 896 amended**

2. The principal enactment is amended in the Second Schedule

(a) by the substitution for paragraph 2(1)(c)(i), of

“(i) has an annual turnover of not more than twenty thousand Ghana Cedis from the business computed as an average of the turnover for three consecutive years ending in the year of assessment;”;

(b) by the substitution for paragraph 5, of

**“Presumptive tax based on turnover**

5. Where presumptive taxation applies to an individual as referred to in paragraph 2(1)(c)(ii), the tax payable by that individual for a year of assessment under section 1 (1) (a) is three per cent of the turnover of the business, where the turnover is more than twenty thousand Ghana Cedis but does not exceed five hundred thousand Ghana Cedis.”; and

(c) by the substitution for paragraph 6 (1)(b) of

“(b) the turnover of that individual does not exceed five hundred thousand Ghana Cedis, calculated using the modified cash basis.”.

**Sixth Schedule to Act 896 amended**

3. Paragraph 14 of the Sixth Schedule to the principal enactment is amended

(a) in the opening phrase by the insertion after “second, third and fourth quarters of 2021”, of “and the first and second quarters of 2022”; and

(b) in subparagraph (d) by the insertion after the sixth row of the following additional rows:

C1	Commuter (up to 15 persons)
C2	Commuter (16 to 19 persons)
C3	Ford Buses and Commuter (up to 23 persons)
C5	Commuter (up to 38 persons)
C7	Commuter (39 to 45 persons)
C9	Commuter (46 persons and above)



**Act 1071**

*Income Tax (Amendment) (No. 2) Act, 2021*

Date of *Gazette* notification: 31<sup>st</sup> December, 2021.