

## Ghana announces plans to provide relief to taxpayers in response to COVID-19

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### Executive summary

Ghana's Minister for Finance and Economic Planning (the Finance Minister) appeared before the Parliament of Ghana on 30 March 2020 to provide an update on the economic impact of the Coronavirus disease (COVID-19) pandemic and the measures taken to mitigate the impact.

This Alert highlights the key aspects of the Minister's presentation relating to tax.

### Detailed discussion

On 27 March 2020, the President of Ghana addressed the nation on the country's response to the COVID-19 pandemic. In that address, the President announced the temporary lockdown of certain parts of the country where the pandemic is prevalent. The President also directed the Minister to prepare, for the approval of Parliament, a Coronavirus Alleviation Programme (CAP) to address the disruption in economic activities, the hardship impact for the people of Ghana, and to rescue and revitalize industries in Ghana.

In line with the directive from the President, the Minister appeared before Parliament on 30 March 2020 to provide an update on the economic impact of COVID-19 and the measures taken by the Government to support Ghanaians during this challenging time.

The Minister presented to Parliament various tax measures to be introduced by the Government to mitigate the economic burden on taxpayers due to the pandemic. These are:

### 1. Extension of due date for filing of returns

The Minister stated that the due date for filing tax returns will be extended from four months to six months. This is welcome news to taxpayers since the temporary lockdown has restricted movements and impeded many taxpayers' ability to meet their tax obligations.

### 2. Remission of penalties

The Minister said that taxpayers who pay their outstanding debts due to the Ghana Revenue Authority (GRA) by 30 June 2020 will be granted a remission of penalties on the principal debts.

### 3. Tax exemptions

According to the Minister, the Government will waive value-added tax on donations of stock of equipment and goods for fighting the COVID-19 pandemic. Additionally, the Government will permit the deduction of contributions and donations towards COVID-19 as allowable expenses for tax purposes. The Minister also stated that taxes on selected third-tier pension withdrawals will be waived.

### 4. Bank transfers

The Minister advised taxpayers to remit their taxes by bank transfers. The GRA has issued circulars providing their bank account details to enable taxpayers to pay their taxes via bank transfers.

The Parliament is expected to pass these proposals into law. Once passed, the GRA will communicate these measures to the public and explain how taxpayers can take advantage of them.

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