



GRA

GHANA REVENUE AUTHORITY

PRACTICE NOTE ON EXTENSION OF TIME FOR PAYING TAX UNDER THE REVENUE ADMINISTRATION ACT, 2016 (ACT 915)

Practice Note No: RAA/2020/02

Date of Issue: 30th April 2020

TABLE OF CONTENT

1.0 PREAMBLE1

2.0 INTERPRETATION 1

3.0 PURPOSE OF THIS PRACTICE NOTE 1

4.0 APPLICATION OF THE LAW 2

A. GOOD CAUSE.....2

B. TERMS AND CONDITIONS FOR EXTENSION OF TIME FOR PAYING TAX2

C. NOTIFICATION/AGREEMENT.....3

D. THRESHOLDS FOR THE EXTENSION OF PAYING TAX.....3

E. BREACH OF INSTALLMENT AGREEMENT.....4

**TAXPAYER APPLICATION FORM FOR EXTENSION OF TIME FOR PAYING TAX
(APPENDIX 1).....5**

NOTIFICATION/AGREEMENT FORM (APPENDIX 2).....6

SCHEDULE OF PAYMENT FORM (APPENDIX 3).....8

1.0 PREAMBLE

This Practice Note is issued in respect of Extension of time for Payment of Tax in accordance with section 47 of the Revenue Administration Act, 2016 (Act 915).

2.0 INTERPRETATION

In this Practice Note the word “Act” means the Revenue Administration Act. Definitions and expressions used in this Practice Note have the same meaning as they have in the Act.

3.0 THE PURPOSE

This Practice Note provides direction and guidance on the interpretation and application of Section 47 of the Act, which provides the processes of applying for extension of time for payment of tax liabilities, conditions for granting extension of time for payment of tax and circumstance under which installment agreement will be revoked.

The practice note also addresses the following:

- I. Differences in the application of instalment payments agreements by various offices*
- II. Non adherence to the levels of authority in granting instalment agreements (thresholds)*
- III. What constitutes a good cause*
- IV. Terms and conditions for granting instalment payment agreements*
- V. Formats for application and notification*

4.0 APPLICATION OF THE LAW

A person applying for extension of time for payment of tax liabilities should note the conditions below and comply accordingly.

A. SHOW GOOD CAUSE

In the context of extension of time for paying tax, the following factors must be considered in determining a good cause:

- I. Taxpayer's previous compliance status*
- II. Weak cash flow position, resulting from indebtedness by third parties including Government*

- III. *Disasters (fire, flood and the like)*
- IV. *Incapacitation due to ill health (applicable to sole proprietors)*
- V. *Burglary*

B. TERMS AND CONDITIONS FOR EXTENSION OF TIME FOR PAYING TAX

- I. *Applicant must apply to the Commissioner- General by completion of application form for extension of time for payment (See Appendix 1 attached)*
- II. *Applicant must have registered for Taxpayer Identification Number (TIN)*
- III. *Applicant must Provide Evidence of lack of liquidity (e.g bank statement, cash flow statement of debts,)*
- IV. *Applicant may be required to deposit security in line with Section 8 of the Act*
- V. *Taxpayer must file all tax returns up to date*
- VI. *The extension of time for payment of tax should not apply to currently maturing debt.*
- VII. *Further application for extension of time for paying a rescheduled debt should be made before the end of the extended period*
- VIII. *The extension of time granted to a taxpayer to pay a debt shall not exceed 12 months in aggregate. (see appendix 2 for limits)*
- IX. *Agreement to make timely payments*
- X. *Provision of accurate information*
- XI. *Interest on the overdue tax shall be calculated on the outstanding tax in line with Section 71 of the Act and added to the principal debt.*

c. NOTIFICATION/AGREEMENT

If application is approved, the taxpayer would be issued with Notification/Agreement and schedule of payment forms containing the details of the agreement and date of payments (See Appendix 2)

D. THRESHOLDS FOR THE EXTENSION OF PAYING TAX

NO	OFFICE	APPROVING DURATION
1	OFFICE MANAGER/ SECTOR COMMANDER	Not more than 4 months
2	DEPUTY COMMISSIONER	Not more than 6 months
3	COMMISSIONER	Not more than 9 months
4	COMMISSIONER- GENERAL	Not more than 12 months

E. BREACH OF INSTALMENT AGREEMENT

If a taxpayer defaults in the instalment agreement, the provisions of Section 47(4) shall apply.

“Where an extension is granted and the taxpayer is permitted to pay by instalments and the taxpayer defaults in paying any of the instalments, the whole balance of the tax outstanding becomes payable immediately.”

Signed.....

Date 28/5/20.....

Ammishaddai Owusu-Amoah
Ag. Commissioner-General

**GHANA REVENUE AUTHORITY
TAXPAYER APPLICATION FORM FOR EXTENSION OF TIME FOR PAYING TAX**

SECTION 1

COMPLETE FORM IN BLOCK LETTERS AND BLACK/BLUE INK ONLY

CURRENT TAX OFFICE

LTO	MTO	STO	CUSTOMS	
-----	-----	-----	---------	--

(Tick One) Name of Tax Office

TAXPAYER NAME

TIN

SECTION 2 Complete this section, if there is a change. No change move to the next section)

BUSINESS ADDRESS:

STREET NAME / PROMINENT LANDMARK
LOCATION/ AREA/TOWN/CITY

POSTAL ADDRESS:

CONTACT

SECTION 3

TAX TYPE OWED:

IMPORT DUTY
 INCOME TAX
 VAT
 PAYE
 WHT
 OTHER (Specify)

TOTAL AMOUNT OWED (In figures)

TOTAL AMOUNT OWED (In words)

STATE REASONS FOR EXTENSION

DECLARATION

I, hereby declare that the Information in this form is true and accurate.

(Full Name)

Designation / Position

Signature

Date

Appendix 2

GHANA REVENUE AUTHORITY

EXTENSION OF TIME FOR PAYING TAX

Notification/Agreement

Taxpayer's Name,

Address..... TIN:

A. SUMMARY OF TAX DEBT PRIOR TO RESCHEDULING

Tax Type/Return	Period/ Year of Assessment to which the debt relates	Amount Due (GHS)	Interest (GHS)		Total (GHS)
	Grand Total				

B DETAILS OF DEBT RESCHEDULE

Tax Type	Period for payment	Principal Amount (GHS)	** Aggregate Interest (For Rescheduling) GHS	Security	Remarks

****This is the sum of all interest calculations including "interest on interest"**

I agree to the terms and conditions provided in this Instalment Agreement. I understand that failure to pay the amounts indicated on the payment schedule attached will result in the liability becoming due and payable immediately.

Taxpayer's Name:

Position:

Signature:

Date:

Name of Office Manager/Sector Commander

Signature

**GHANA REVENUE AUTHORITY
SCHEDULE OF PAYMENT**TAXPAYER NAME TIN TAX OFFICE

TAX TYPE	PRINCIPAL (GHS)	INTEREST (GHS)	PAYMENT DATES	REMARKS

PREPARED BY:

APPROVED BY:

NAME OF OFFICER

RANK

SIGN & DATE