



# GRA

## GHANA REVENUE AUTHORITY

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### **PRACTICE NOTE ON EXTENSION OF TIME WITHIN WHICH TO FILE A TAX RETURN UNDER THE REVENUE ADMINISTRATION ACT, 2016 (ACT 915)**

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Practice Note No: RAA/2020/01

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## **1.0 PREAMBLE**

This Practice Note is issued in respect of Extension of time to file Tax Return for an obligation under section 30 of the Revenue Administration Act, 2016 (Act 915).

## **2. 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.

## **2. PURPOSE**

This Practice Note is issued in respect of Granting of Extension of Time within which to file a Return under section 30 of the Act.

## **3.0 REQUEST FOR AN EXTENSION OF TIME TO FILE A TAX RETURN**

A request for an extension of the period in which to file a return must state the reasons for failure to file the return within the stipulated time. Without detailed reasons by the taxpayer, the senior Tax official will not be in a position to exercise the discretion to extend the period in which to file the tax return.

The requirement for reasonable grounds will be met if the delay was caused by circumstances beyond the taxpayer's control. Office managers should handle the request on case by case basis.

## **4.0 REFUSAL TO GRANT AN EXTENSION**

An application for a grant of extension of time to file a tax return may not be granted due to one or combination of the following reasons:

1. The application was made after the due date for submission of a return,
2. Absence of Taxpayer's representative,
3. The Taxpayer has not filed all prior period returns,
4. Ignorance of the law with regard to the due date for filing a return,
5. The Taxpayer has not made any arrangement to settle outstanding tax liabilities, and or
6. The Taxpayer has not provided reasonable cause.

## **5.0 PROCEDURE FOR APPLYING FOR EXTENSION**

The applicant shall complete and submit an application form (Attached Appendix i). The applicant shall state the following details on the application form:

- (a) TIN;
- (b) Name;
- (c) Address;
- (d) Taxpayers Tax Office; and
- (e) Reasons for the request for extension

## **6.0 LIMITATION ON THE EXTENSION OF TIME TO FILE A TAX RETURN**

A taxpayer may be granted multiple extensions for the filing of a tax return not exceeding in total 60 days from the date the tax return was originally due to be filed.

### **6.1 GRANTING OF MULTIPLE EXTENSIONS**

#### **a) Multiple extension for a single tax return**

A taxpayer may apply for extension of time to file a tax return under the Income Tax Act, 2015 (Act 896) i.e. Personal Income Tax return (PIT). The taxpayer may be granted an extension of time of 20 days from the due date for filing the Return. The taxpayer may again apply for further extension of time to file the PIT return (when he is still unable to file within the 20 days). The taxpayer may be allowed a further extension of 30 days starting from the end of the 20 days. The taxpayer may again apply for further extension of time to file the PIT Return (when he is still unable to file by the extended 30 days). The taxpayer may be allowed a further extension of another 10 days only starting from the end of the 50 days. *(The total extension for a tax type should not exceed 60 days)*

#### **Example**

Kofi Fofie is a taxpayer who files his returns before the due date. He was involved in an accident while on a business trip and was admitted to the hospital on the 1<sup>st</sup> of April, 2019. He realized that he would not be able to file his PIT return by the 30<sup>th</sup> of April. He therefore applied to his tax office for an extension of time of 60 days to file his return and attached the Police report together with a letter of admission from the hospital before the due date (30<sup>th</sup> April, 2019).

The office manager granted an extension of time of 20 days and informed him accordingly.

Mr. Fofie was still on admission on 15<sup>th</sup> May, 2019 and he realized that he would not be discharged before the end of June, 2019. He therefore re-applied for extension of

time to file his PIT return for 40 days stating the reason that he might not be discharged until after the end of June, 2019.

The office manager granted him a further extension of 30 days and informed him accordingly.

On the 15<sup>th</sup> June, 2019 Mr. Fofie re-applied for an extension to file his PIT return since he was still on admission.

The office manager granted him a further extension of 10 days and informed him that no further extension would be entertained and made reference to section 30 (5) of the Revenue Administration Act, 2016 (Act 915).

*Please note that the cumulative extensions granted did not exceed 60 days. If after the 60 days, Mr Fofie does not file his tax return, penalties should be imposed in line with Sec 73 of the Revenue Administration Act.*

#### **b) Multiple extension for Different Tax Returns**

A taxpayer may apply for the extension of time to file a tax return under a tax law (e.g. VAT return.) The taxpayer may be granted an extension of 35 days from the due date for filing the return. The taxpayer may apply for extension of time to file another Tax return, the CIT return and the taxpayer may be allowed an extension of 30 days. The taxpayer may again apply for extension of time to file an Excise return and he may be granted an extension of 40 days

*NB: The total extensions for each tax type should not exceed 60 days*

#### **Example**

Coolhead Company limited is a compliant Large Taxpayer. The company is registered for the following tax types: Company Income Tax (CIT), Paye As You Earn (PAYE), Withholding Tax (WHT) and VAT.

The company encountered a serious electrical problem on the 10<sup>th</sup> of March, 2019 which affected all its computers resulting in the loss of valuable data.

The company therefore applied to the Head of LTO for 60 days each for the filing of all the returns (viz: CIT, PAYE, WHT and VAT). The company attached both Fire Service report and Police report to the application and stated all the grounds for the extension.

The head of large Taxpayer Office (LTO) after considering all the issues granted the extension as follows:

CIT – 30 days

PAYE – 10 days

WHT - 10 days and

VAT - 20 days

*Please note that the taxpayer may apply for further extensions for any of the tax types. In all instances, the cumulative extensions granted for any of the tax types should not exceed 60 days.*

## **7.0 CAPACITY OF PERSONS WHO MAY GRANT EXTENSION OF TIME TO FILE A TAX RETURN:**

The granting of extension of time to file a return should be approved by the Head of the GRA tax office.

Signed.....

Date .....

**Ammishaddai Owusu-Amoah**  
**Ag. Commissioner-General**

**APPENDIX I**

**APPLICATION FOR EXTENSION OF TIME TO FILE TAX RETURN FORM**

[INSERT ADDRESS]

Date: .....

**THE COMMISSIONER GENERAL  
GHANA REVENUE AUTHORITY  
OFF STARLETS 91' ROAD  
NEAR STADIUM  
ACCRA**

(Name of Applicant(s)).....

TIN .....

Address .....

Taxpayers office .....

I/We DO HEREBY, apply for extension of time to file:  T                  PAYE  VAT  Returns for  
..... days after the due date as provided for in Section 30 of Revenue Administration Act due  
to the following grounds:

- 1. ....
- 2. ....
- 3. ....
- 4. ....

Upon the grant of extension of time, the above Returns shall be submitted to your office not later  
than .....this .....day of ..... 20.....

Dated .....this.....day of .....20.....

Signature.....

*NB: The grant of an extension of time does not alter the date of payment of tax.*

***For Office Use Only:***

*Received by:*

*Name of Officer:* .....

*Office:* .....

*Approved by:* .....

*Date and Time:* .....