



GRA

GHANA REVENUE AUTHORITY

REMISSION OF TAXES, INTEREST AND PENALTIES UNDER REVENUE ADMINISTRATION ACT, 2016 (ACT 915)

Practice Note No: RAA/2020/04

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1.0 PREAMBLE

This Practice Note is issued in respect of Remission of Taxes under Section 65 of the Revenue Administration Act, 2016 (Act 915).

2.0 INTERPRETATION

In this Practice Note, the word “Act” means the Revenue Administration Act, 2016 (Act 915). Definition and expression used in this Practice Notes have the same meaning as they have in the Act.

3.0 PURPOSE

This Practice Notes provides direction and guidance in the interpretation and application of Section 65 which provides for remission of Tax under the Act.

4.0 APPLICATION OF THE LAW

The Commissioner -General may remit tax that has been assessed, but only on grounds of impossibility of collection of the tax.

4.1 IMPOSSIBILITY OF COLLECTION OF TAXES

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Impossibility of collection of the tax may arise due to the following:

- i. The taxpayer’s business has been closed down (liquidated) or has been declared bankrupt, and the taxpayer has no income from which to pay the tax;
- ii. Death of the taxpayer and no distrainable assets were identified;
- iii. The taxpayer becomes unemployed, has no assets, and has no prospect to earn income in the future (for example, he is Physically and Mentally incapacitated or too old to work);
- iv. The taxpayer cannot be located after all reasonable attempts to find him (i.e. a search at Registrar Generals Department, Driver and Vehicle Licensing Authority (DVLA), District Assemblies, Utility Companies, visit to his former residence or place of business and a check of other GRA offices to see if the taxpayer is filing elsewhere had proved futile;

- v. The taxpayer's income has declined and is barely sufficient to pay his basic living expenses; there is no prospect for future increase in income;
- vi. Natural disaster (Flood, fire, earthquake etc.) as a result of which the business had been affected;

A recommendation that an account be reported uncollectible must be supported by proper documentation. The Debt Management Officers should attach to the recommendation: the case history form, a financial statement if available, and an explanation why the tax debt is not collectible by completing Report of Uncollectible Taxes

4.2 GOOD CAUSE

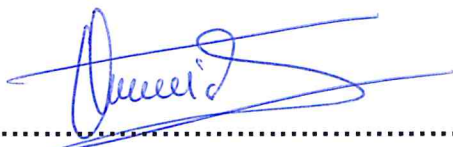
Where a person who is liable to pay penalty shows a good cause in writing, the Commissioner-General may:

- i. Refrain in whole or in part from assessing the penalty
- ii. Extend the time for payment of the penalty on conditions that the Commissioner General may determine or
- iii. Remit or waive in whole or in part a penalty that has been assessed

4.3 ELEMENT OF GOOD CAUSE

The following may constitute elements of good cause:

- i. The taxpayer has submitted all the required returns;
- ii. Has paid all outstanding taxes for all tax types or has made satisfactory arrangement to pay the tax liabilities;
- iii. Has no previous records of non-compliance;
- iv. The failure was as a result of sickness, absence from Ghana; and
- v. Any other reason that the Commissioner-General may consider justifiable

Signed.....


Date

Ammishaddai Owusu-Amoah
Ag. Commissioner-General