## ARRANGEMENT OF SECTIONS

*Section*

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

Act 902

THE NINE HUNDRED AND SECOND

# ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA

ENTITLED

## INCOME TAX (AMENDMENT) ACT, 2015

**AN ACT** to amend the Income Tax Act, 2015 (Act 896) to provide for a new rate of tax for the chargeable income of a resident individual for a year of assessment, to introduce the rate of withholding tax for a service provided under section 116 (1) (a) (vii), to increase the monetary threshold for an individual to whom a presumptive tax applies and for related matters.

**DATE OF ASSENT:** *30th December, 2015.*

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 subparagraph (1) of paragraph 1 of

"(1) Subject to subparagraph (3) and the Second Schedule, the chargeable income of a resident individual for a year of assessment is taxed at the following rates:

| NO. | CHARGEABLE INCOME | RATE OF TAX |
|---|---|---|
| 1. | First GH¢2, 592 | Nil |
| 2. | Next GH¢1, 296 | 5 percent |
| 3. | Next GH¢1, 812 | 10 percent |
| 4. | Next GH¢33, 180 | 17.5 percent |
| 5. | Exceeding GH¢38, 880 | 25 percent." |

*(b)* by the substitution for subparagraph (6) of paragraph 3 of

"(6) The chargeable income of a company for a year of assessment from a manufacturing business not included in subparagraphs (1) and (3), other than a manufacturing business located in Accra or Tema, is taxed at the rates indicated below:

| Location | Rate of income tax |
|---|---|
| *(a)* Manufacturing business located in the regional capitals of the country | 75 percent of the rate of income tax applicable to other income under subparagraph (1) |
| (b) Manufacturing business located elsewhere in the country | 50 percent of the rate of income tax applicable to other income under subparagraph (1)". |

*(c)* by the insertion after paragraph 8 (1) (c) (ii) of

"(iiA) in the case of service fees referred to in section 116 (1) (a) (vii), fifteen percent;".

**Second Schedule to Act 896 amended**

**2.** The principal enactment is amended in the Second Schedule

*(a)* 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 percent of the turnover of the business, where the turnover is more than twenty thousand cedis but does not exceed two hundred thousand cedis."; and

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

"(b) the turnover of that individual does not exceed two hundred thousand cedis, calculated using the modified cash basis.".

Date of *Gazette* notification: 30th December, 2015.

GPCL, ASSEMBLY PRESS, ACCRA. GPCL/A787/1,250/12/2015
Website: www.ghpublishingcompany.com E-mail: info@ghpublishingcompany.com