ARRANGMENT OF SECTIONS

Section

1. Section 6 of Act 896 amended
2. Section 7 of Act 896 amended
3. First Schedule to Act 896 amended
4. Sixth Schedule to Act 896 amended

REPUBLIC OF GHANA

THE NINE HUNDRED AND FIFTY-SIXTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA

ENTITLED

INCOME TAX (AMENDMENT) (NO. 2) ACT, 2017

AN ACT to amend the Income Tax Act, 2015 (Act 896) to abolish the tax on lotto winnings, provide for accelerated capital allowance for manufacturers and importers importing stamping machines for the implementation of the excise tax stamp policy, provide tax holding for young entrepreneurs and to provide for related matters.

DATE OF ASSENT: *29th December, 2017.*

PASSED by Parliament and assented to by the President:

Section 6 of Act 896 amended

1. The Income Tax Act, 2015 (Act 896) referred to in this Act as the "principal enactment" is amended in section 6 by the deletion of subparagraph (iv) of paragraph *(a)* of subsection (2).

Section 7 of Act 896 amended

2. The principal enactment is amended in subsection (1) of section 7
   (a) by the deletion of "and" after paragraph (s);
   (b) by the insertion after paragraph *(t)* of
   "(u) the income of an approved unit trust scheme or mutual fund; and
   (v) the income of an approved Real Estate Investment Trust.".

First Schedule to Act 896 amended

3. The principal enactment is amended in the First Schedule

(a) by the substitution for subparagraph (1) of paragraph 1 of

NO.	CHARGEABLE INCOME	RATE OF TAX
1	First GHS 3,132	NIL
2	Next GHS 840	5 percent
3	Next GHS 1,200	10 percent
4	Next GHS 33,720	17.5 percent
5	Exceeding GHS 38,892	25 percent

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

"(6A) The income tax rate applicable to the chargeable income of a business referred to in subparagraphs (1), (2), and (3) of paragraph 1 of the Sixth Schedule for the next five year period after the temporary concession period is:"; and

(c) by the deletion of paragraph 8(1)(b)(viii).

Sixth Schedule to Act 896 amended

4. The principal enactment is amended in the Sixth Schedule

(a) by the substitution for paragraph 6 of

"Young entrepreneurs

6. (1) The income of a young entrepreneur from the business of manufacturing, information and communications technology, agro processing, energy production, waste processing, tourism and creative arts, horticulture and medicinal plants shall be exempt from tax for a period of five years.

(2) The tax rate applicable for the five-year period after the initial concession period shall be as follows:

NO.	LOCATION	TAX RATE
1.	Accra and Tema	15%
2.	Other regional capitals outside the three Northern regions	12.5%
3.	Outside other regional capitals	10%
4.	The three Northern Regions	5%

(3) The person may carry forward an unrelieved loss for a period of five basis periods.

(4) For the purpose of this paragraph, "young entrepreneur" means an entrepreneur who is not more than thirty-five years old."

(b) by the insertion after paragraph 9 of

"Importers and manufacturers of excisable products

10. An importer or manufacturer of excisable goods shall be granted accelerated depreciation over a period of two years on affixing machinery and equipment imported for the implementation of the Excise Tax Stamp Policy as follows:

NO.	YEAR	PERCENTAGE
1.	First year	50% of initial value
2.	Second year	50% of initial value

Private universities

11. Privately-owned universities shall be exempt from tax when they plough back a hundred percent of their profit-after-tax into the business."

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