ARRANGEMENT OF SECTIONS

Section

1. Section 3 of Act 870 amended
2. Section 48 of Act 870 amended
3. Section 57 of Act 870 amended
4. Section 65 of Act 870 amended
5. Section 66 of Act 870 amended
6. First Schedule to Act 870 amended

THE EIGHT HUNDRED AND NINETIETH

ACT

OF THE PARLIAMENT OF THE REPUBLIC
OF GHANA
ENTITLED

VALUE ADDED TAX (AMENDMENT) ACT, 2015

AN ACT to amend the Value Added Tax Act, 2013 (Act 870) to introduce a flat rate mechanism for accounting for tax payable for the supply of immovable property by estate developers to establish Ghana Revenue Authority General Refund Account; to exempt pharmaceuticals and selected active ingredients and inputs for the manufacture of pharmaceuticals, paper for the production of exercise books and textbooks and mild carbon steel for the manufacture of machetes from the tax and to provide for related matters.

DATE OF ASSENT: *10th April, 2015.*

PASSED by Parliament and assented to by the President:

Section 3 of Act 870 amended

1. The Value Added Tax Act, 2013 (Act 870) referred to in this Act as the "principal enactment" is amended by the substitution for section 3 of

"Rate of the tax

3. (1) Except as otherwise provided in this Act, the rate of the tax is fifteen per cent and is calculated on

(a) the value of the taxable supply of the goods or services; or

(b) the taxable value of the import.

(2) Where a taxable person who is an estate developer makes a taxable supply of an immovable property, that person shall account for the tax payable under this section at a flat rate of five per cent calculated on the value of the taxable supply."

Section 48 of Act 870 amended

2. The principal enactment is amended in section 48

(a) by the substitution for subsection (7) of

"(7) A taxable person does not qualify for deductible input tax on fees or subscriptions paid by that person in respect of membership of a club, association, or society of a sporting, social or recreational nature."; and

(b) by the insertion after subsection (7) of

"(7A) A taxable person to whom subsection (2) of section 3 applies does not qualify for an input tax deduction in respect of a supply of immovable property."

Section 57 of Act 870 amended

3. The principal enactment is amended by the substitution for section 57 of

"Ghana Revenue Authority General Refund Account

57. (1) The Minister shall set aside an amount of not more than four percent of the total revenue collected under this Act and any other enactment administered by the Commissioner-General, in an account designated as the "Ghana Revenue Authority General Refund Account".

(2) The Ghana Revenue Authority General Refund Account shall be used by the Commissioner-General to make payments for

(a) refunds due under this Act; and

(b) refunds due under any other enactment administered by the Commissioner-General.

(3) Where at the end of a calendar year there is an amount outstanding as credit in the Ghana Revenue Authority General Refund

Account after refunds certified by the Commissioner-General have been paid, the outstanding amount shall be paid into the Consolidated Fund by the Commissioner-General in accordance with the Financial Administration Act, 2003 (Act 654) and the Financial Administration Regulations, 2004 (L.I. 1802).".

Section 65 of Act 870 amended

4. The principal enactment is amended in section 65 by the substitution for the definition of currency point of

""currency point" means one Ghana Cedi;".

Section 66 of Act 870 amended

5. The principal enactment is amended in section 66 by the insertion after subsection (1) of a new subsection (1A).

"(1A). Subsection (7) of section 159 of the Internal Revenue Act, 2000 (Act 592) is repealed.".

First Schedule to Act 870 amended

6. The First Schedule to the principal enactment is amended

(a) in paragraph 2 by the insertion after "medical supplies" of "pharmaceuticals" means the essential drugs listed under chapter 30 of the Harmonised Systems Commodities Classification Code, 2012";

(b) by the substitution for paragraph 14 of

"14. (1) A supply of pharmaceuticals in Ghana;

(2) A supply or import of the active ingredients and selected inputs for the manufacture of pharmaceuticals as determined by the Minister for Health and prescribed in Regulations; and

(3) An import of selected drugs or pharmaceuticals as determined by the Minister for Health and prescribed in Regulations.";

(c) by the addition after paragraph 23 of

"24. A supply of paper for the production of exercise books and textbooks.

25. An import of mild carbon steel for the manufacture of machetes.".

Date of *Gazette* notification: 15th April, 2015.