

INCOME TAX (AMENDMENT) ACT, 2016 (ACT 907)

ARRANGEMENT OF SECTIONS

Sections

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

THE NINE HUNDRED AND SEVENTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA

ENTITLED

INCOME TAX (AMENDMENT) ACT, 2016

AN ACT to amend the Income Tax Act, 2015 (Act 896) to provide for the exemption from tax of interest paid to an individual by a resident financial institution or to an individual on bonds issued by the Government of Ghana; to provide for a reduction in withholding tax on service fees paid to a resident person and to provide for related matters.

DATE OF ASSENT: 18th February, 2016.

PASSED by Parliament and assented to by the President:

Section 1—Section 7 of Act 896 amended

The Income Tax Act, 2015 (Act 896) referred to in this Act as the “principal enactment” is amended in subsection (1) of section 7

- (a) by the deletion of “and” after paragraph (n);
- (b) by the deletion of “.” and the insertion of “; and” after paragraph (o); and
- (c) by the insertion of new paragraphs (p) and (q) as follows:

“(p) interest paid to an individual

- (i) by a resident financial institution; or
- (ii) on bonds issued by the Government of Ghana; and

“(q) the interest or dividend paid or credited to a holder or member on an investment in an approved unit trust scheme or mutual fund is exempt”.

Section 2—First Schedule to Act 896 amended

The principal enactment is amended in the First Schedule by the substitution for

(a) paragraph 8(1) (b) (viii) of

“(viii) in the case of lottery winning:

(i) First 2,592 — Nil

(ii) Exceeding 2,592 — 5 percent;”;

Percent.’

(b) paragraph (8)(1)(c)(vii) of

“(vii) in the case of service fees referred to in section 116(2) (c), 7.5 percent;”;

(c) paragraph (8)(3) of

“(3) The rate of tax to be withheld from a payment under section 85(2) is three percent of the amount.”.

Section 3—Sixth Schedule to Act 896 amended

The principal enactment is amended in the Sixth Schedule by the deletion of subparagraph (3) of paragraph 6.

Date of Gazette Notification: 18th February, 2016