

VALUE ADDED TAX (AMENDMENT) ACT, 2017 Act 948

ARRANGEMENT OF SECTIONS

Sections

- 1 . Section 3 of Act 870 amended
- 2 . Section 26 of Act 870 amended
- 3 . Section 48 of Act 870 amended
- 4 . Section 65 of Act 870 amended
- 5 . First Schedule to Act 870 amended
- 6 . Consequential amendments to Act 852



Act 948

REPUBLIC OF GHANA

THE NINE HUNDRED AND FORTY-EIGHTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA ENTITLED

VALUE ADDED TAX (AMENDMENT) ACT, 2017

AN ACT to amend the Value Added Tax Act, 2013 (Act 870) to classify the supply of financial services, domestic transportation of passengers by air and supply of immovable property by a real estate developer as exempt supplies, to give legal backing to a VAT Flat Rate Scheme that will facilitate collection of VAT on the supply of goods in the distribution chain and to provide for related matters.

DATE OF ASSENT: 5th April, 2017.

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 in section 3 by

(a) the substitution for subsection (2), of

"(2) A taxable person who is a retailer or wholesaler of goods shall account for the Value Added Tax payable under this section at a flat rate of three per cent calculated on the value of the taxable supply. "; and

(b) the insertion after subsection (2), of

"(3) Subsection (2) does not apply to the supply of goods specified under section 27."

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Section 48 of Act 870 amended

20 The principal enactment is amended in section 48 by (a) the deletion of paragraph (d) of subsection (1); and

(b) the substitution for subsection (7A), 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 goods."

Section 65 of Act 870 amended

3. The principal enactment is amended in section 65 by the insertion after "VAT", of
"VAT Flat Rate Scheme" means a Value Added Tax collection and accounting mechanism that applies a marginal tax percentage representing net VAT payable on the value of taxable goods supplied. "

First Schedule to Act 870 amended

4. The First Schedule to the principal enactment is amended
- (a) by the substitution for paragraph 15, of
"15. A supply of domestic transportation of passengers by air, road, rail and water, except the supply of haulage or the rental or hiring of passenger and other vehicles. ",
- (b) by the substitution for paragraph 17, of
"170 A supply of crude oil and the following hydrocarbon products:
(a) petrol;
(b) diesel;
(c) liquefied petroleum gas;
(d) kerosene;
(e) residual fuel oil. "; and
(f) natural petroleum gas. "
- (c) in paragraph 18 by the substitution for subparagraph (a), of "(a) immovable property, including land, used or intended to be used for the purpose of a dwelling. "; and

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- (d) by the substitution for paragraph 19, of "19. A supply of financial services."

Consequential amendments to Act 852

5. The National Health Insurance Act, 2012 (Act 852) is amended by (a) the substitution for section 48, of

"Exempt supply of goods and services

48. A supply in respect of any of the matters set out in the First Schedule of the Value Added Tax Act, 2013 (Act 870) is exempt from the levies imposed under section 47. ",

- (b) the substitution for section. 49, of

"Zero-rated supply of goods and services

49. A supply in respect of any of the matters set out in the Second Schedule of the Value Added Tax Act, 2013 (Act 870) is zero-rated as regards the levy imposed under section 47."

(c) the substitution for section 50, of

"Relief from levy

50, There is granted by this Act, relief from the payment of the levy to the individuals, organisations and in respect of the matters specified in the Third Schedule of the Value Added Tax Act, 2013 (Act 870)." ; and

(d) the deletion of the Second Schedule.

Date of Gazette notification: 7th April, 2017.