

GHANA REVENUE AUTHORITY

DOMESTIC TAX REVENUE DIVISION

RATES OF INCOME TAX CONTAINED IN THE INCOME TAX ACT, 2015 (ACT 896)



The Commissioner-General of the Ghana Revenue Authority (GRA) wishes to inform the general public of the following Rates of Income Tax contained in the Income Tax Act, 2015 (Act 896) for compliance.

The effective date of implementation of the Income Tax Act, 2015 (Act 896) is 1st January, 2016.

Rates of Income Tax Contained in Income Tax Act, 2015 (Act 896)

Entity	Rate of Tax %
Corporate income tax	25%
Company principally engaged in the hotel industry	22
Company income from the export of non-traditional goods	8
Chargeable income derived by a financial institution from loan granted to a farming enterprise in the production of income of the enterprise	20
Chargeable income derived by a financial institution from loan granted to a leasing company to fund acquisition of assets for lease	20
Manufacturing business located in regional capitals (except Accra & Tema)	75% of corporate tax rate
Manufacturing business located outside the Regional capitals	50% of corporate tax rate
Free zone enterprise/developers for the first ten (10) years in operation	0
Free zone enterprise/developers after 10 years in operation (on export of goods and services)	15
Free zone enterprise/developers after 10 years in operation (on domestic sales)	25
Chargeable income of a person from petroleum operations	35
Chargeable income of a person from mineral operations	35
AGRO PROCESSING COMPANIES	
Agro processing business conducted wholly in the country for the first 5 years	1
Cocoa- by product business conducted wholly in the country for the first 5 years	1
Rural banking business for the first 10 years	1
Tree crop farming for the first 5 years	1
Cash crops or livestock(excluding cattle) for the first 5 years	1
Waste processing business for the first 7 years	1
Income derived from letting for sale of low cost affordable residential premises approved by Minister for Works and Housing for the first 5 years	1
Chargeable income of trust	25
APPROVED UNIT TRUST AND MUTUAL FUND	
Approved unit trust scheme and mutual fund for the first 10 years	1
Interest or dividend paid to a member or a holder of an approved unit trust or mutual fund	1
Income from qualifying venture capital financing company for the first 10 years	1
Interest or dividend paid or credited to a person on a qualifying investment in a qualifying venture capital financing company for the first 10 years	1
Resident Individual	Graduated rates provided in the First Schedule
Non-resident Individual	20
Gain on realisation of investment asset by an individual	15

WITHHOLDING TAX

Withholding tax is deductible from payment for supply of goods and services, and other payments as follows:

INCOME	RATE (%)	COMMENTS
Resident Persons		
Interest (excluding individuals and resident financial institutions)	8	On Account
Interest paid to Individual	1	On Account
Dividend	8	Final tax
Rent of residential property (for individuals and as investment income)	8	Final tax
Rent of non-residential property	15	Final tax
Fees, allowance to resident director/manager, board member, trustee	20	On Account
Fees to lecturers, invigilators, examiners, part-time teachers, non-executive directors/board members and endorsement fees	10	Final
Commissions to insurance agents, sales and persons	10	On account
Commissions to resident lotto receivers or agents	10	On account
Supply of goods exceeding GH¢ 2,000 p.a	3	On account
Supply of works	5	On account
Supply of services	15	On account
Lottery winnings	5	Final
Payment to petroleum subcontractor	15	Final
Payment for unprocessed precious minerals	10	On account
Royalty, natural resource payment	15	On account

NON-RESIDENT PERSONS

Income of non-resident individual from employment	20	Final
Dividend	8	Final tax
Royalties, natural resources payments and rents	15	Final tax
Management, consulting and technical service fee and endorsement	20	Final tax
Repatriated Branch after tax profits	8	Final tax
Interest income	8	Final tax
Short term insurance premium	5	Final tax
Endorsement fees	20	Final tax
Payment for services	20	Final tax
Goods, works and services that give rise to income accruing in or derived from Ghana (that is trading in Ghana (i.e. where a Permanent Establishment exists) as against with Ghana)	20	Final tax
Petroleum sub-contractor	15%	Final
Payments received by a person who conducts a relevant transport business as payment for		
(i) carrying passengers, cargo, mail or other movable tangible assets that are embarked in the country, other than as a result of transshipment; or	15%	Final
(ii) renting containers and related equipment which are supplementary or incidental to the business referred to in subparagraph		
Payments received by a person who conducts a business of transmitting or receiving messages by cable, radio, optical fibre or satellite or electronic communication in respect of the transmission, reception or emission of messages by an apparatus located in the country, whether or not the messages originate, terminate or are used in the country;	15%	Final