TaxDev

Institute for Fiscal Studies
and
Ministry of Finance, Ghana

Report

Institute for Fiscal Studies

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A survey of the Ghanaian tax system (2026)

IFS Institute for Fiscal Studies

UK Government Centres of Expertise
Public Finance

FREEDOM AND JUSTICE

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Preface

This report was prepared by the Institute for Fiscal Studies, UK (IFS) through the Centre for Tax Analysis in Developing Countries (TaxDev) in collaboration with the Revenue Policy Division at the Ministry of Finance, Ghana.

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The views expressed in this report are, however, those of the authors and do not necessarily reflect the views of the funders or of the other individuals or institutions mentioned herein, including IFS, which has no corporate views, and the Ministry of Finance, Ghana.

This is version 3.0 of ‘A survey of the Ghanaian tax system’ and updates version 2.0 published in August 2024. The original report (version 1.0) was produced by Abdul Malik Iddrisu, Ross Warwick, Daniel Nuer, Edward Abrokwah, Harriet Conron and Andara Kamara.

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Abbreviations

ATAF	African Tax Administration Forum
AU	African Union
AUC	African Union Commission
CHRL	COVID-19 Health Recovery Levy
CIF	cost, insurance and freight
CIT	corporate income tax
COVID-19	coronavirus disease 2019 (severe acute respiratory syndrome coronavirus 2)
ECOWAS	Economic Community of West African States
FSRL	Financial Sector Recovery Levy
GDP	gross domestic product
GETFL	Ghana Education Trust Fund Levy
GH₵	Ghanaian cedis
GITMIS	Ghana Integrated Tax Management and Integration System
GRA	Ghana Revenue Authority
GSL	Growth and Sustainability Levy
kg	kilogramme
kWh	kilowatt-hour
NFSL	National Fiscal Stabilisation Levy
NHIL	National Health Insurance Levy
PIT	personal income tax
SSA	sub-Saharan Africa
UNU-WIDER	United Nations University World Institute for Development Economics Research
VAT	Value-added tax

Executive summary

Ghana's economy has been recovering significantly in recent years after a period of severe macro-economic stress between 2020 and 2023 that was characterised by slow growth, rising public debt, high inflation and a sharp depreciation of the local currency. Gross domestic product (GDP) growth reached 5.8% and 6% in 2024 and 2025, respectively, and inflation fell to a low of 3.2% in March 2026. The quest to deepen domestic revenue mobilisation has been one of the central pillars in the macro-economic stabilisation agenda. In the context of its revenue mobilisation goals, the design of the country's tax system is a crucial issue for policymakers.

This report is an update of earlier reports that provided a comprehensive overview of Ghana's tax system (Iddrisu et al., 2021a, 2024). Together, these reports are intended as a repository of key information on the Ghanaian tax system for researchers, policymakers and the public. Throughout the report, we highlight notable revenue and policy trends and patterns.

Key findings

1. At 13.5% in 2025, Ghana's tax-to-GDP ratio remains below the government's target of 18–20% by 2027. Though this ratio is almost 6 percentage points higher than in 2000, it continues to fluctuate and has hardly risen since 2017.

2. Revenues from corporate and personal income taxes and from value-added tax (VAT) and associated taxes made up about 70% of total collections in 2025 – up from 57% in 2000. These three types of taxes have also accounted for much of the growth in Ghana's tax revenues since 2000.

3. Tax collections from international trade have become far less important in the revenue mix, though they remain significant: 27% of overall tax revenues were collected on imported goods in 2025 (including VAT on imported products), compared with 55% in 2000.

The contribution of import duties specifically to total tax revenue declined from 18% in 2000 to 12% in 2025.

4 Ghana’s tax-to-GDP ratio is typical of countries in sub-Saharan Africa. However, considering countries of a similar income level across the world, Ghana’s tax revenue collections are slightly below average: out of 26 lower middle-income countries with available data, Ghana ranked 18th in 2023.

5 Higher tax rates are generally associated with higher revenues as a share of GDP. However, personal income tax and general sales tax revenues in Ghana are lower than would be expected given its tax rates, all else equal. Yet, recent growth in corporate income tax revenues means that these revenues exceed those expected in countries with similar tax rates.

1. Introduction

Ghana's economy has been recovering significantly in recent years after a period of severe macro-economic difficulties between 2020 and 2023 marked by slow growth, rising public debt, high inflation and a sharp depreciation of the local currency. The economy grew by 5.8% and 6% in 2024 and 2025, respectively (Ghana Statistical Service, 2026a). These figures compare favourably to the average annual growth rate of 3.1% between 2020 and 2023.[1] This recovery was largely driven by strong performance in the service sector, which grew by 7.2% per year on average over this period. Public debt declined significantly, from 61.8% of GDP in 2024 to 44.7% of GDP in 2025, while the budget deficit narrowed from 5.2% of GDP in 2024 to 3.1% of GDP in 2025.[2] At the same time, inflation fell to a low of 3.2% in March 2026 from its post-pandemic peak of 54.1% in December 2022 (Bank of Ghana, 2023, 2026b; Ghana Statistical Service, 2023, 2026b). Ghana's commitment to implementing broad macro-economic and structural reforms in recent years, supported by international partners such as the International Monetary Fund, has played a major role in the recovery. The quest to deepen domestic revenue mobilisation has been one of the central pillars in the macro-economic stabilisation agenda.

Alongside big macro-economic changes, the country's tax system has evolved in several ways in recent decades, including in terms of the total amount of tax collected relative to the size of the economy. Between 2000 and 2025, Ghana's ratio of tax collections to GDP increased by almost 6 percentage points, from a base of just 8% at the turn of the millennium. Going forward, the tax system has a crucial role to play in terms of domestic revenue mobilisation, with the Government of Ghana aiming to reach a tax-to-GDP ratio of 18–20% by 2027 in order to ensure the sustainability of the country's public finances and to enable spending on public investment and social programmes (Ministry of Finance, 2023). In doing so, the tax

[1] Ghana's slow economic performance over the 2020–23 period was attributed to the COVID-19 pandemic and the Russian invasion of Ukraine, which adversely affected global supply chains and the economic performance of other countries across the globe.

[2] These refer to end-of-year figures.

system should be designed to raise revenue in an efficient, equitable and sustainable way.

Planning the future direction of the tax system requires a comprehensive understanding of its current structure, and lessons can also be learnt from how the structure has evolved over time. This report aims to provide that understanding. We present an analysis of Ghana’s current tax revenue composition, setting out the detailed rules that govern this system and how these have changed, and we compare Ghana’s current tax revenue composition with that in previous years and with those in comparable countries around the world. This serves as a key source of information for policymakers, researchers and other parties interested in tax policy in Ghana.

The structure of the rest of the report is as follows. In Section 2, we discuss the composition of overall government and tax revenues in Ghana as of 2025, the most recent full year of data at the time of writing. In Section 3, we present a detailed description of the rules governing each of Ghana’s main taxes, as of July 2026. In Section 4, we looks back at how Ghana’s tax revenues have changed over time and we describe key tax policy reforms from recent years. In Section 5, we use cross-country data to compare Ghana’s tax revenues with those in other countries. We conclude in Section 6.

2. Tax revenues in Ghana

In this section, we provide an overview of the different sources of revenue collected by the Government of Ghana, offering a brief discussion of non-tax revenue sources before setting out the main sources of tax revenue that the government relies upon. We focus here on data from 2025, as that is the last full year for which verified tax revenue data are available. A comparison of 2024 and 2025 revenues is provided in Table A.1 in the appendix.

Overview

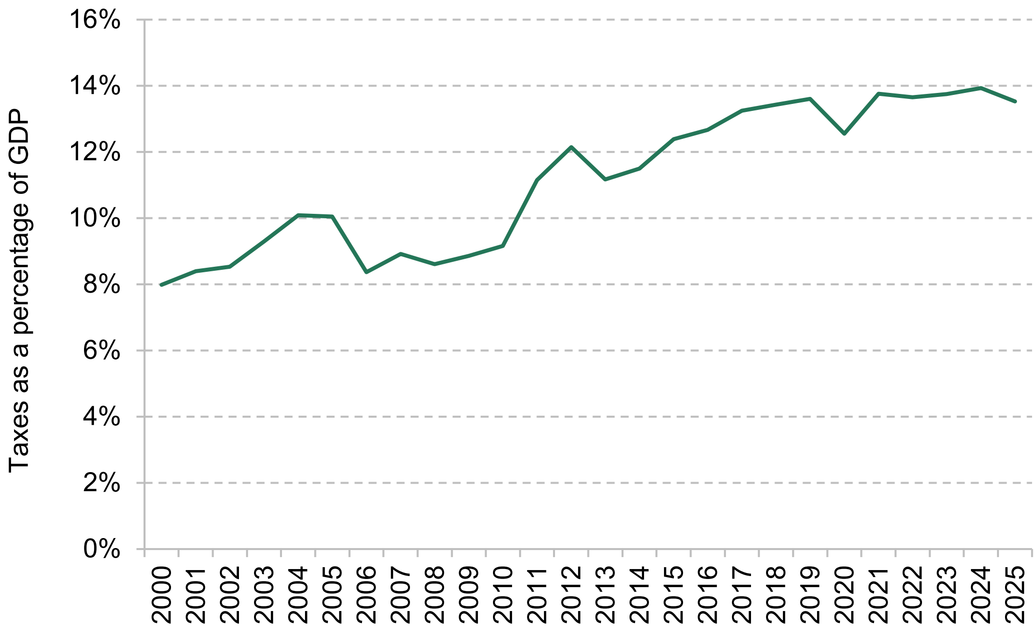
Ghana is a unitary state, and as such the Government of Ghana sets tax policy and collects revenues for the whole of the country. The government receives revenues from a wide variety of sources, but these can be broadly split into two categories: tax revenues and non-tax revenues.

The Ghana Revenue Authority (GRA) is responsible for collecting taxes. The GRA was established in 2009 following the merger of three pre-existing revenue agencies and the Revenue Agencies Governing Board. The Domestic Tax Revenue Division is responsible for the collection of domestic direct and indirect taxes. The Customs Division is responsible for the collection of downstream petroleum taxes and taxes levied at the ports, borders and other entry points.

In this report, we rely primarily on tax collections data from the GRA. This may lead to small differences compared with other data sources. The GRA's recorded tax collections are not adjusted for refunds and other sources of revenue, such as social security contributions. We use the GRA's collections data because these provide the most comparable time series on tax collections over a long period. These tax collection figures reported by the GRA do not include company taxes and royalties from oil paid into the Petroleum Holding Fund (see 'Upstream petroleum revenues' in Section 3). In order to be consistent with the approach taken by the GRA and the Ministry of Finance, unless otherwise stated, this report focuses on the non-oil tax-to-GDP ratio as the main measure of aggregate tax collections, which uses the GDP series that excludes petroleum activities (the so-called 'non-oil GDP') as the denominator.

Total tax revenue collections in 2025 totalled GH₵ 190.0 billion, implying a tax-to-GDP ratio of 13.5% (Figure 2.1).[3] As in most low- and middle-income countries, this is lower than the typical tax take in richer countries: for example, the average tax-to-GDP ratio for Organisation for Economic Co-operation and Development (OECD) countries stood at 33.9% in 2023 (OECD/AUC/ATAF, 2025). It is close to the average for countries belonging to the Economic Community of West African States (ECOWAS) of 13.6% in 2023 (African Tax Administration Forum, 2025), but lower than in countries with similar income levels, as discussed in Section 5.

Figure 2.1. Tax collections as a share of GDP in Ghana, 2000–25



Note: This figure is based on tax collections reported by the GRA so may not align with figures reported in other data sets. Tax revenues do not include collections from oil companies. The GDP series used is the non-oil GDP. This is to ensure consistency with the approach followed by the GRA in their tax-to-GDP computations.

Source: Ghana Revenue Authority, Bank of Ghana and Ghana Statistical Service.

Non-tax revenues totalled GH₵ 27.9 billion in 2025, equivalent to 2% of GDP. Almost all of this came from fees and charges collected by ministries, departments and agencies, and the dividends/interest, profits and surface rentals from oil companies. The discovery of oil reserves in Ghanaian territories has been a

[3] This does not differ significantly from Ghana's oil-inclusive tax-to-GDP ratio, which stood at 13.6% in 2025.

particular boon to non-tax revenues. About 30.3% of non-tax revenues in 2025 (GH₵ 8.5 billion) came from dividends/interest, profits and surface rentals from oil companies.[4]

In addition to the central government tax and non-tax revenues, Ghana also operates a property rate system, which is administered by local authorities (i.e. metropolitan, municipal and district assemblies). The related collections do not form part of central government revenues and are not covered in this report.

Finally, the government also receives revenue from grant funding from donors, which totalled around GH₵ 1.83 billion in 2025, accounting for around 0.8% of total government resources. This follows a period of continuous reduction in grant funding by donors, where the share of grants in total government resources fell by 6.5 percentage points from 8.4% in 2015 to 1.9% in 2019, and by a further 1.1 percentage points between 2019 and 2025.

Tax revenue composition

Data from the Ghana Revenue Authority show that indirect taxes (including import duties) accounted for 52.7% of total tax revenues in Ghana, compared with 47.3% for direct taxes in 2025. Customs collection continues to be an important source of tax revenue in Ghana, with 59.7% of indirect taxes collected at borders. Of this customs collection, 38.6% comes from taxes only levied on imported goods, equating to 12.1% of overall tax revenue in 2025 (see Table A.1 in the appendix).

Table 2.1 lists briefly the main tax instruments driving revenue collections in Ghana, the rules of which we describe in detail in Section 3. The main sources of tax revenue in Ghana are typical of other countries around the world, with corporate income tax (CIT) and personal income tax (PIT) applying to corporate profits and individual incomes, respectively, and value-added tax (VAT), import duty, petroleum taxes and excise duties applying to purchases of goods and services. In contrast, the Growth and Sustainability Levy (GSL) – which applies to the pre-tax profit or gross production of some firms – is a less common type of tax measure. The National Health Insurance Levy, Ghana Education Trust Fund Levy (GETFL) and COVID-19 Health Recovery Levy (CHRL), which were unreclaimable levies

[4] These revenues accrue from government interests and fiscal imposts in upstream operations.

akin to sales taxes and applied to VATable supplies until the end of 2025, are also less familiar as most countries do not apply both a VAT and a sales tax regime to the same transactions.[5]

Table 2.1. Main tax types in Ghana using the GRA's categorisation, 2025

Tax	Tax base
Direct taxes	
Corporate income tax	Corporate profits
Personal income tax	Individual earnings
Mineral royalties	Revenues from mineral sales
Growth and Sustainability Levy	Pre-tax profit/gross production
Stamp duty	Transaction value
Airport tax	Flight passengers
Financial Sector Recovery Levy	Pre-tax profit of banks
Indirect taxes*	
Value-added tax	Taxable consumption
National Health Insurance Levy	Taxable consumption
Ghana Education Trust Fund Levy	Taxable consumption
Petroleum taxes	Petroleum purchases
Import duty	Imported goods
Communications service tax	Electronic communications services
Excise duty	Selected goods (e.g. alcohol, tobacco)
COVID-19 Health Recovery Levy	Taxable consumption

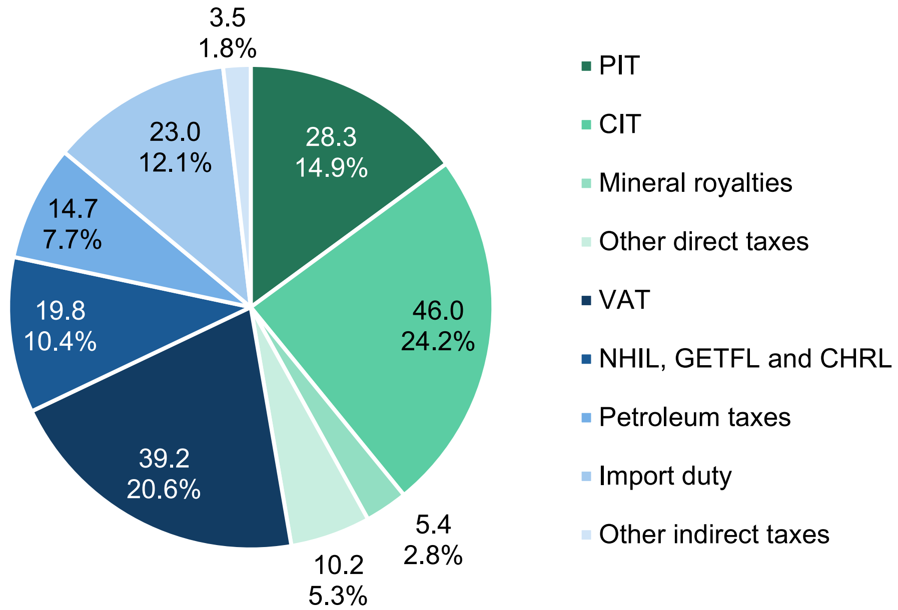
Note: The tax base is described in a simplified manner in the interest of brevity. See Section 3 for a more detailed description of each tax. The table uses the categorisation of tax types used by the GRA; hence airport tax is classified as a direct tax.
*The Electronic Transfer Levy, which was introduced in 2022 and abolished by Parliament in March 2025, was a key feature of Ghana's tax system. The 2026 Budget Statement and Economic Planning of the Government of Ghana abolished the COVID-19 Health Recovery Levy with effect from 1 January 2026.

[5] The NHIL and GETFL were made reclaimable from January 2026 and operate in the same way as the standard VAT system, and the CHRL was abolished altogether, as stated in the 2026 Budget Statement.

Figure 2.2 shows the breakdown of tax collections in Ghana in 2025. The three biggest sources of tax revenue are CIT, PIT and VAT. Respectively, these contribute 24%, 15% and 21% of total tax revenues. Other notable sources of direct tax revenue in Ghana include mineral royalties, airport tax and the GSL. In terms of indirect taxes, the levies (NHIL, GETFL and the CHRL), import duties and a range of taxes levied on petroleum products all contribute substantial sums of revenue. The communications service tax and excise duties all contribute smaller portions of total tax revenue.

Upstream petroleum revenues, which are not included in these tax collection figures, brought an additional GH₵ 4.8 billion (0.35% of GDP) in revenue in 2025. Tax refunds, which amounted to GH₵ 8.8 billion (0.62% of GDP) in 2025, offset a small proportion of gross tax revenues.

Figure 2.2. Tax revenue collections reported by the GRA, 2025 (GH₵ billion and % of total tax collections)



Note: Other direct taxes include the GSL – formerly called the National Fiscal Stabilisation Levy, which was applied to a relatively limited number of businesses – and smaller tax handles, such as airport tax and taxes on rental income subject to final withholding, which is a residual payment as part of it is often subsumed in either CIT or PIT payments. Petroleum taxes include special petroleum tax, the Energy Debt Recovery Levy and other petroleum taxes. Other indirect taxes include excise duty, communications service tax and the Electronic Transfer Levy.

Source: Ghana Revenue Authority.

3. The Ghanaian tax system

In this section, we outline the main features of the various tax types in Ghana as of the 2026 mid-year Budget.[6] The GRA distinguishes between three main groups of taxes: taxes on income and profits (direct taxes); taxes on goods and services (indirect taxes); and taxes on international trade (customs taxes). While taxes on international trade are a form of indirect tax as well, we adopt this categorisation for consistency with the GRA's terminology.

Direct taxes

Personal income tax

Individuals resident in Ghana are taxable on their worldwide income from employment, business and investment, less any allowable expenses and deductions. In the case of non-resident individuals, only their income that is sourced from Ghana is taxable.

For all taxpayers, non-cash benefits are valued at market value and added to taxable income, with accommodation and transport valued as a percentage of the overall cash income of the individual. There are, however, a number of exempt income sources and benefits, including pensions and interest paid to individuals by resident financial institutions or on bonds issued by the Government of Ghana.

Ghana uses a progressive PIT schedule for residents. The income thresholds are adjusted on an ad hoc basis to account for changes in the minimum wage. Table 3.1 shows the latest annual PIT schedule in Ghana.

[6] Table A2 in the appendix lists all the tax policy and administrative measures that were contained in the 2026 Budget Statement and Economic Policy and the 2026 Mid-Year Fiscal Policy Review of the 2026 Budget Statement and Economic Policy.

Table 3.1. Annual income tax rates in Ghana in effect from January 2024

Chargeable income (GH₵)	Tax rate (%)
First 5,880	0
Next 1,320	5
Next 1,560	10
Next 38,000	17.5
Next 192,000	25
Next 366,240	30
Exceeding 600,000	35

Source: Income Tax (Amendment) (No. 2) Act, 2023 (Act 1111).

Pay-As-You-Earn is the most common mechanism for paying tax on employment income, accounting for 94% of PIT revenue in 2025. It is applied according to a specified formula implemented on an annual basis, but payable monthly in arrears.[7] Employers withhold income tax from employees' monthly salaries and remit it to the GRA on their behalf.

Taxes on other sources of income – self-employment or investments – are either payable directly by the individual or collected through a withholding tax system (e.g. withholding tax on rent). Self-employed individuals are required to pay the PIT in accordance with the annual schedule in Table 3.1, in four instalments per year. At the beginning of the year, individuals file a return estimating their income and associated tax liability for that year, with four equal-sized quarterly tax payments due on or before the last day of each quarter. At the end of the year, individuals declare their realised annual income. If the amount declared differs from their initial assessment, either they are reimbursed or they must pay the excess.

The vehicle income tax sticker system is a mechanism for collecting income tax from owners of commercial vehicles. Where the person is an individual, the payment is offset against the annual PIT liability on filing the end-year tax return. The tax is paid in quarterly instalments that depend on the class of vehicle and

[7] See Income Tax Regulations 2016 (L.I. 2244).

passenger capacity, with rates starting from GHȻ 40 per year for tractors, power tillers and tankers – these rates are summarised in Table A.4 in the appendix.[8]

In July 2025, the GRA launched the Modified Taxation Scheme (MTS). The MTS modifies the taxation of eligible resident individuals by imposing a presumptive tax on self-employed individuals with income from specific businesses.[9] This replaced the tax stamp system, which was another collection mechanism for the PIT.[10] The MTS is a simplified tax framework, which aims to reduce the complexity of standard tax procedures and increase voluntary compliance by making tax registration, filing and payment easier for small businesses operating in the informal sector.[11] It replaces standard PIT and is only available for taxpayers that are not registered for VAT. The MTS has two main categories: presumptive tax based on turnover (PTT) and presumptive tax based on instalment (PTI). The PTT applies a 3% turnover tax for sales above GHȻ 20,000 and up to GHȻ 500,000 per annum The PTI offers fixed amounts for smaller businesses with annual turnover not exceeding GHȻ 20,000 over three consecutive years. Its quarterly instalments depend on the size and category of the taxpayer – these rates are summarised in Table A.5 in the appendix. [12]

Unlike the vehicle income tax and previous tax stamp, both PTT and PTI act as the final tax liability with no requirement to file for standard PIT. However, businesses that keep proper records of their revenue and expense, and have annual turnover above GHȻ 20,000 and up to GHȻ 500,000, can choose to account for their tax

8 The government suspended the quarterly vehicle income tax payments during the second quarter of 2021 for ‘trotros’ and ‘taxis’ as part of measures to limit the impact of the COVID-19 pandemic on households. The GRA resumed collection of the vehicle income tax from 1 January 2024 and also expanded the scope to cover owners of ride-hailing vehicles, such as Uber, Bolt and Yango.

9 The MTS excludes formal professionals such as lawyers and engineers as well as owners of multiple business outlets.

10 Unlike the tax stamp system, wherein businesses were issued tax stamps upon payment of the tax which they were required to display on the premises of the business, the MTS system does not issue tax stamps to businesses.

11 Eligible businesses can register for the MTS through the following channels: (1) the Mobile App (i.e. MTS Taxpayer App, which is available on Google Play Store or Apple App Store); (2) in-person visit to the nearest GRA office or taxpayer service centre; (3) engagement of GRA field officers or local trade union.

12 Because filing behaviour is haphazard among small traders (and the cost to the GRA of enforcing filing obligations among small traders may outweigh potential tax collections), in practice both the vehicle income tax and the tax stamp may often act as a final tax on small traders.

obligations under the standard PIT schedule set out in Table 3.1 based on their net income using the modified cash basis system.

Other features of the PIT system include the following:

- Personal reliefs (detailed in Table A.3 in the appendix) may apply and reduce an individual's assessable income by the specified amount.
- Allowable deductions also include employee contributions to social security – a mandatory 5.5% of the employee's basic salary is paid into Tier 1 of the social security scheme, and up to a further 16.5% may be voluntarily contributed to a private scheme.
- Self-employed individuals are also allowed a deduction of up to 35% on their income in relation to pension contributions.
- Mortgage interest payments on one residential property and life insurance premiums are deductible from taxable income.
- Part-time employment income is taxable at a rate of 10%.
- Bonus payments below 15% of a worker's base salary are subject to a 5% tax rate, with anything above this threshold added to their gross salary and taxed accordingly.
- For qualifying junior staff, overtime payments up to 50% of their basic salary are subject to a 5% tax rate, with a 10% rate applying thereafter.
- The income of non-residents is subject to a flat rate of 25%.
- A non-resident public entertainer is considered to be an employee of the promoter of the service provided and the income is subject to withholding tax at a flat rate of 25%. This includes any stage artiste, motion picture artiste, radio artiste, musician and sports person, including any athlete, footballer or boxer.

Corporate income tax

The tax base for the CIT is the taxable profits of a corporation. Allowable deductions for tax purposes include capital allowances, losses brought forward (for three to five years, depending on the industry) and losses incurred on the sale of investment assets. For the purpose of capital allowances, most assets are depreciable on a reducing-balance basis, with the exception of buildings, which are depreciable at a straight-line 10% rate, and intangible assets, which are depreciated over their useful life.

The standard CIT rate in Ghana is 25%, although sector-specific rates also exist, as summarised in Table 3.2. In addition to different sectoral rates, reduced CIT rates apply to companies based in specific locations, young entrepreneurs, and companies listed on the Ghana Stock Exchange.

Table 3.2. Corporate income tax rates in Ghana

Eligibility	Rate
Standard rate	**25%**
Mining or upstream petroleum companies	35%
Manufacturing companies:	
located in regional capitals of Ghana (excluding Accra and Tema)	18.5%
located outside Accra, Tema and regional capitals	12.5%
Free Zone enterprises during their 10-year tax holiday	0%
Agricultural enterprises (five years after their concessionary period) located:	
in Accra and Tema	20%
in other regional capitals outside the Northern Savannah Ecological Zone	15%
outside other regional capitals	10%
in the Northern Savannah Ecological Zone	5%
Hotels	22%
Exports of non-traditional goods	8%
Income from loans to a farming enterprise by a financial institution	20%
Income from loans granted to a leasing company by a financial institution	20%
Export income for companies in Free Zones after the concessionary period	15%
Income from lottery operations (applicable on the gross gaming revenue)	20%
Young entrepreneurs after a five-year tax holiday located:	
in Accra and Tema	15%
in other regional capitals outside Accra and Tema	12.5%
outside Accra, Tema and other regional capitals	10%
in the three northern regions	5%

Note: Young entrepreneurs are those below the age of 36 who start their own business. After the expiration of the tax holiday, companies operating in Free Zones will be subjected to income tax at the rate of 15% on export sales and 25% on domestic sales.

Source: Income Tax Act 2015 (Act 896), as amended.

Businesses that declare tax losses for five consecutive years will pay tax on a minimum chargeable income of 5% of turnover.[13] The CIT revenue collected from upstream petroleum companies is not included in CIT (or overall tax) collections reported by the GRA, however. We return to this when outlining upstream petroleum revenues.

Companies submit an annual estimate of their taxable income and resulting CIT liability for the year, which is then payable in four instalments, due at the end of the third, sixth, ninth and twelfth months of the company's basis period (i.e. March, June, September and December, where the basis period coincides with the calendar year). After submitting a final tax return after the end of the basis period, any outstanding tax liability or excess payment is determined and paid (or refunded).

Growth and Sustainability Levy

The GSL is charged on the pre-tax profit (accounting profit) or gross production of all companies and institutions at a rate dependant on the sector of the company. It is payable on a quarterly basis and is not an allowable deduction for CIT purposes. Entities subject to the GSL are required to file an estimate at the beginning of the year and file a return at the end of the year. Entities operating in the sectors listed in Box 3.1 are liable for the GSL with the respective tax rates and tax bases. The GSL was introduced in 2023, replacing the National Fiscal Stabilisation Levy (NFSL) and expanding coverage to all businesses. The government extended the sunset clause for the GSL from 2025 to 2028.

Box 3.1. Companies and institutions subject to the GSL

Category A: 5% of profit before tax

- Banks (excluding rural and community banks)
- Insurance companies
- Breweries
- Companies providing mining support services
- Non-bank financial institutions
- Telecommunications companies liable to collect and pay communications service tax

[13] This excludes businesses that are operating within their first five years after the commencement of business and those engaged in farming.

- Inspection and valuation companies
- Shipping lines, maritime and airport terminals
- Electronic money issuers
- Bulk oil distributors
- Oil marketing companies
- Communication tower operators
- Companies providing upstream petroleum services
- Specialised deposit-taking institutions
- Companies and institutions registered by the Securities and Exchange Commission

Category B: 1% of gross production

- Mining companies and upstream oil and gas companies[14]

Category C: 2.5% of profit before tax

- All other entities not falling within Category A or Category B

Financial Sector Recovery Levy

The Financial Sector Recovery Levy is a 5% charge on the pre-tax profit of banks. It is a temporary measure that seeks to mobilise revenue to help settle outstanding commitments related to the cleaning up of the financial sector in 2017.[15]

Mineral royalties

The general mineral royalty rate for minerals other than gold and lithium in Ghana is 5% applied to gross revenue from mineral sales.[16] Following the passage of the Minerals and Mining (Royalty) Regulations, 2025, the mineral royalty rates for gold and lithium are determined under a sliding-scale mineral royalty regime, with royalty rates pegged to the international price of gold and lithium. For gold and lithium producers, the applicable mineral royalty rate fluctuates based on international commodity prices as shown in Table 3.3. Large-scale gold producers

[14] The government increased the GSL rate for gold mining companies from 1% to 3% in 2025 and subsequently reversed it back to 1% in March 2026.

[15] The Bank of Ghana embarked on an exercise to clean up and recapitalise the financial sector in 2017. The exercise was aimed at promoting the safety, soundness and stability of the financial system. According to the 2021 Budget Statement, the exercise cost the government some GH₵ 21 billion.

[16] This relates to the following minerals: diamond, bauxite or manganese, salt, industrial mineral, limestone, and iron ore.

in the country that have a valid development or stability agreement will continue to pay their royalties in line with the provisions contained in those agreements until they expire. Mining companies are required to submit to the Commissioner-General a monthly report on royalties accrued and payments on account to the Republic of Ghana.

Table 3.3. Mineral royalty rates for gold and lithium in Ghana

	Royalty rate
Gold price US$ per ounce	
Up to US$ 1,900	5.0%
Above US$ 1,900–2,000	6.0%
Above US$ 2,000–2,500	7.0%
Above US$ 2,500–3,000	8.0%
Above US$ 3,000–3,500	9.0%
Above US$ 3,500–4,000	10.0%
Above US$ 4,000–4,500	11.0%
Above US$ 4,500	12.0%
Spodumene price, US$ per tonne	
Up to US$ 1,500	5.0%
Above US$ 1,500–2,300	7.0%
Above US$ 2,300–3,200	10.0%
Above US$ 3,200	12.0%

Note: The value of gold obtained from a mining operation shall be the weekly average of the London PM Fix Price of the London Bullion Market Association in US dollars per fine troy ounce with respect to the sales of gold during the month. Spodumene is a hard silicate mineral made of lithium, aluminium and silicon, and it serves as a key commercial source of lithium.

Source: Minerals and Mining (Royalty) Regulations, 2025.

Upstream petroleum revenues

Petroleum revenues are a mixture of tax and non-tax revenues on the oil and gas sales and profits of upstream and mid-stream companies and consist of CIT, royalties, carried and participating interest, additional oil entitlements, surface rentals, and dividends payable by the national oil company, among others. The Petroleum Revenue Management Act 2011 (Act 815) states that petroleum revenues are paid into the Petroleum Holding Fund, and these shall not be treated as part of the normal tax revenue of the government. Even though the GRA is responsible for assessing, collecting and accounting for petroleum revenue, these receipts do not appear in the GRA's revenue collection figures because the Ministry of Finance is responsible for reporting petroleum revenues.

The standard CIT rate for petroleum companies is 35%. The royalty rate is negotiated in the relevant petroleum agreement based on distance from shore. In 2025, company taxes on oil and royalties from oil yielded GH₵ 3.91 billion and GH₵ 0.92 billion, or 0.27% and 0.06% of GDP, respectively. For comparison, total revenue from these two sources was about GH₵ 0.2 billion (0.10% of GDP) and GH₵ 2.2 billion (0.61% of GDP) in 2016 and 2019, respectively.

Airport tax

Airport tax applies at specific rates per passenger on both domestic and international travel. The rate varies depending on the destination and the passenger class (Table 3.4). Aircraft owners are responsible for collection and payment to the Commissioner-General, who is required to remit the whole amount to the Ghana Civil Aviation Authority.[17]

Table 3.4. Airport tax rates

Type of flight	Charge
Domestic	GH₵ 5
Within West Africa	US$ 60
Other international:	
Economy	US$ 100
Business class	US$ 150
First class	US$ 200

Source: Airport Tax (Amendment) Act 2013 (Act 858).

Other direct taxes

These relate to stamp duties, and taxes on gifts, realisation of assets and liabilities (capital gains) and investment incomes subject to final withholding taxes. The incomes subject to final withholding (if paid by a withholding agent) include

[17] The GRA books airport tax revenues under direct tax revenues; hence, we cover it here too for consistency, although the design of the tax mirrors that of a specific indirect tax in practice.

dividends paid to resident and non-resident individuals in Ghana at a rate of 8%, rental incomes from residential and commercial property of residents at rates of 8% and 15%, respectively, and non-residents at a rate of 15%. In practice, however, part of the rental income is often subsumed under personal and corporate incomes. Firms' income from lottery operations is subject to tax at the rate of 20% on the gross gaming revenue, while individuals' gross winnings from lotteries are not subject to tax.[18]

Gains on realisation of assets or liabilities (capital gains) are included in business income or investment income, depending on the source of the gain, and taxed accordingly. However, individuals may elect to pay a 15% tax on gains on the realisation of an asset instead of including the gain as part of their chargeable income. If the gains are included in the person's chargeable income, the graduated income tax rate is applied.

Stamp duty applies to certain transactions and legal instruments at either a rate of 0.25–1% of the transferred value or between GH₵ 18 and GH₵ 896.30, depending on the type of transaction or instrument. Box 3.2 provides examples of transactions for which stamp duty is currently applied in Ghana.

Box 3.2. Transactions where stamp duty applies

- Agreement or memorandum of agreement not specifically charged with duty
- Concession
- Conveyance or transfer on sale of a property
- Conveyance or transfer operating as a voluntary disposition inter vivos
- Declaration of a trust concerning a property by a writing
- Deposit of title documents
- Duplicate or counterpart of an instrument chargeable with duty
- Indemnity, letter or other instrument of indemnity
- Natural resource leases or licences (e.g. mining, timber)
- Mortgage, bond, debenture, covenant, guarantee, lien or instrument of security

[18] Prior to 2025, winnings from lotteries were subjected to a 10% income tax per game.

- Power of attorney or other instrument in that nature

Note: The list of items in this box is non-exhaustive of the full list of items on which stamp duty applies. The Stamp Duty Act allows for a range of exemptions, both specific to individual items and general exemptions; for a full list of these exemptions refer to the Stamp Duty Act.

Source: Stamp Duty (Amendment) Act, 2023 (Act 1109).

Indirect taxes

Value-added tax

Value-added tax (VAT) was first introduced in Ghana in 1995 but was repealed and reintroduced in 1998. The current standard VAT rate is 15% and is applied on the taxable supply of goods or services or on the value of imports.[19] Ghana operates an invoice-credit system whereby VAT-registered suppliers deduct the VAT paid on their inputs from their output VAT and remit only the net amount. VAT in Ghana operates using the destination principle, implying that imports are subject to VAT, but exports are zero-rated.

VAT returns are filed monthly. VAT on imports is collected and administered by the Customs Division of the GRA; these collections are reported separately in revenue figures.

There is no VAT registration threshold for service providers in Ghana. This implies that all service providers must register for VAT.[20] However, there is a VAT registration threshold for persons engaged in the supply of goods. VAT registration is compulsory for persons with annual taxable transactions above GH₵ 750,000.[21] Businesses with an annual turnover below GH₵ 750,000 can voluntarily register for VAT.

[19] In the case of imports, the import duty that is calculated on the cost, insurance and freight value of the import is included in the VAT tax base. For excisable goods, VAT and the levies are applied on top of the excise duties charged on the item.

[20] This includes persons providing management services, insurance brokerage, financial, tax and economic consulting, accounting services, legal services, among others.

[21] This also applies to businesses whose sales are above GH₵ 375,000 during or at the end of a six-month period or less or above GH₵ 187,500 during or at the end of a three-month period or less or above GH₵ 62,500 at the end of a one-month period or less, and there is a reasonable expectation that their annual sales will exceed GH₵ 750,000.

Importers of taxable goods with a value exceeding GH₵ 750,000 and who are required to register under the Value Added Tax Act but are not registered are subject to an additional upfront VAT at the rate of 20% of the customs value at importation. This is on top of the applicable import VAT, and any customs duties, excises and levies payable.[22]

Other than exports, the Value Added Tax Act, 2025 (Act 1151) provides for the zero-rating of locally manufactured textiles and sanitary towels.[23] In addition, the VAT system in Ghana provides for a range of exempt supplies (see Box 3.3) that are outside the scope of the tax. Businesses supplying these goods and services do not charge VAT on their sales but also cannot claim input tax credit on their purchases.

Act 1151 also abolished the VAT Flat Rate Scheme for retailers and real-estate developers as of January 2026.[24] Accordingly, retailers and real-estate developers who have annual turnover in excess of GH₵ 750,000 are to register for the standard VAT scheme.

Box 3.3. VAT-exempt supplies

- A range of raw (or simply prepared or preserved) food products such as maize, rice, millet, sorghum fruits, vegetables, fish and meat
- Selected live animals (i.e. cattle, sheep, goat, swine and poultry) bred or raised in Ghana
- Specified agricultural and fishing inputs
- Water supply (excluding bottled water)
- Electricity supply (not exceeding maximum consumption level specified for block charges for lifeline units)
- Approved textbooks and newspapers, atlases, charts, maps and music (excluding similar imported items, e.g. newspapers, magazines, greeting cards, calendars and stationery)

[22] Such importers are, however, allowed to recover the upfront payment when they register and file their VAT returns as provided by the Act. Also, importers are allowed to apply for a waiver of the upfront VAT if the imports are not in furtherance of taxable activity.

[23] For locally manufactured textiles, the zero-rating provision is up to 31 December 2028.

[24] Retailers with annual turnover between GH₵ 200,000 and GH₵ 500,000 were to charge a fixed rate of 3% on their sales (with no input deductibility) under the VAT Flat Rate Scheme. VAT-registered real-estate developers charged a fixed rate of 5% on the supply of immovable property (with no input deductibility).

- Education services and related equipment
- Medical services and supplies
- Specified pharmaceuticals
- Domestic passenger transport by road, rail or water (excluding haulage or rental or hiring of passenger and other vehicles)
- Machinery used in specified activities
- Petrol, diesel, liquefied petroleum gas, natural petroleum gas and kerosene
- Financial services where no fee is paid, and life insurance and reinsurance
- Land used for specified purposes (including for agricultural activities)
- Goods designed for persons with disability
- Postage stamps issued by the Ghana Post
- Salt for human consumption
- Mosquito nets
- Plant and machinery, and kits designed for use by registered manufacturer or assembler under the Ghana Automotive Manufacturing Programme
- Management fees charged by local fund managers for management of a licensed private equity fund, a venture capital fund or a mutual fund

Ghana has a VAT withholding system – a collection mechanism whereby selected organisations (e.g. government ministries and large corporations) are mandated to withhold 7% of the VAT payable on their purchases, and to transfer the withheld VAT directly to the GRA. The remaining 8% of the VAT goes to suppliers to enable them to recover VAT paid on their own inputs without needing to file for refunds (see below). VAT withholding is common in countries where voluntary compliance is low, as a way of forcing traders to charge the VAT on their sales and ensuring the tax authority receives the tax revenue due.

When the VAT paid on inputs exceeds that charged on supplies, firms generate a VAT credit. In general, this credit is carried forward and can be offset against VAT liability in future. For firms that receive more than 25% of income from exports, and in cases where a credit persists after three months, the GRA can provide tax refunds.

National Health Insurance Levy

The National Health Insurance Levy (NHIL) applies to the same range of goods and services as the VAT with a rate of 2.5% and is applied to the VAT-exclusive price.

Previously not subject to input deductibility, the Value Added Tax Act, 2025 (Act 1151) makes the NHIL input deductible again from January 2026. This implies that VAT registered businesses can reclaim any NHIL paid on their inputs like with the standard VAT. Like VAT, the NHIL on imports is collected and administered by the Customs Division of the GRA and reported separately in revenue figures. Supplies that are exempt from the VAT are also exempt from the NHIL. NHIL revenues are earmarked for Ghana's National Health Insurance Scheme.

Ghana Education Trust Fund Levy

Separated from the VAT in August 2018, the Ghana Education Trust Fund Levy (GETFL) functions in the same way as the NHIL – it applies at a rate of 2.5% on the VAT-exclusive price of all VATable supplies, including imports. Like the NHIL, the GETFL was made input-deductible by Act 1151. This means that for businesses that are engaged in taxable supplies, they can deduct any GETFL paid on inputs from the output GETFL. The levy on imports is administered by the Customs Division of the GRA and reported separately in revenue figures, similar to import VAT and NHIL. GETFL revenues are earmarked for the Ghana Education Trust Fund and related educational expenses.

Communications service tax

Fees for communications services are subject to the communications service tax, which applies together with the service charge paid by consumers on electronic communications services, recharges made by electronic communications services providers, and internet connection services. The rate of communications service tax is currently 5%.

Excise duty

Ghana's excise duty regime consists of an ad valorem duty, ranging from 0% to 50% of ex-factory price (or cost, insurance and freight value in the case of imports) on products such as beer, spirits and tobacco, and a specific duty per quantity on tobacco products, as shown in Table 3.5. An environmental excise tax of 5% applies on plastic and plastic products listed under Chapters 39 and 63 of the Harmonised System and Customs Tariff Schedules.

Table 3.5. Excise duty rates in Ghana

Commodity description	Rate of duty
Waters, including mineral waters of all description	20%
Distilled, bottled water	17.5%
Sachet water	0%
Fruit juices	20%
Malt drink, by percentage use of local raw materials:	
Less than 50% local raw materials	20%
50–70% local raw materials	12.5%
More than 70% local raw materials	10%
Beer, stout, other than indigenous beer, by percentage use of local raw materials:	
Less than 50% local raw materials	47.5%
50–70% local raw materials	32.5%
More than 70% local raw materials	10%
Cider beer	47.5%
Wines, including sparkling wine	45%
Spirits, including 'Akpeteshie':	
Distilled or rectified	50%
Blended or compounded	50%
For use solely in laboratories or in the compounding of drugs	0%
Denatured to the satisfaction of the Commissioner-General	10%
'Akpeteshie'	20%
Tobacco products:	
Cigarettes	50% and 28p per stick
Cigars	50% and 28p per stick
Negrohead	GH₵ 280 per kg
Snuff and other tobacco	GH₵ 280 per kg
Electronic cigarette liquids	50% and 50p per ml
Electronic cigarettes	50%
Electronic smoking devices	50%
Plastic and plastic products listed under Chapters 39 and 63 of the Harmonised System and Customs Tariff Schedules	5%
Other products:	
Textiles	0%
Pharmaceuticals	0%

Note: Rates apply as a percentage of ex-factory price or cost, insurance and freight value, unless otherwise specified. While textiles and pharmaceuticals are considered excisable products, the current rate of excise duty is 0%.

Source: Excise Duty (Amendment) (No.2) Act, 2023 (Act 1108).

Special petroleum tax

Licensed oil-marketing companies are required to charge the special petroleum tax on sales of petrol, diesel, liquefied petroleum gas, natural petroleum gas and kerosene. Previously, this applied as an ad valorem tax; since 2018, the tax applies at specific rates per litre or kilogramme of the product, as summarised in Table 3.6.

Table 3.6. Special petroleum tax rates

Petroleum product	Tax per litre (GH₵)	Petroleum product	Tax per kg (GH₵)
Petrol	0.46	Liquefied petroleum gas	0.48
Diesel	0.46	Natural petroleum gas	0.35
Kerosene	0.39		

Source: Special Petroleum Tax (Amendment) Act 2018 (Act 965).

Other energy sector taxes

The government applies several additional charges on the sale of petrol, kerosene, diesel and fuel oil, collectively referred to as 'energy sector levies'. Additional charges also apply on the sale of electricity. Table 3.7 provides a description of the charges in effect in Ghana.

In 2025, the Energy Sector Levies Act, 2025 (Act 1135) replaced the Energy Sector Levies Act, 2015 (Act 899) and related amendments (i.e. Act 946, Act 997 and Act 1064). Act 1135 and the Energy Sector Levies (Amendment) Bill, 2025, consolidated the Energy Debt Recovery Levy, the Energy Sector Recovery Levy, the Sanitation and Pollution Levy and the Price Stabilisation and Recovery Levy into the Energy Sector Shortfall and Debt Repayment Levy. The rate for petrol and diesel was increased by GH₵ 1 per litre at the same time. The extra GH₵ 1 charge will be used to support the payment of energy sector shortfalls, reduce energy sector legacy debts and stabilise Ghana's power supply.

The Customs Division of the GRA collects the energy sector levies. The GRA includes revenue from the Energy Fund Levy and the Road Fund Levy under the heading of 'petroleum taxes'. Collections from the Energy Sector Shortfall and Debt Repayment Levy are earmarked for the Energy Sector Support account. They are classified as ‘other revenue’ in the government’s financial statistics, and form part of the GRA’s reporting on overall tax collections.

Table 3.7. Energy sector levies and rates

Levy	Item	Rate
Energy Sector Shortfall and Debt Repayment Levy	Petrol	GH₵ 1.95 per litre
	Diesel	GH₵ 1.93 per litre
	Naphtha	GH₵ 1.95 per litre
	Fuel oil	GH₵ 0.24 per litre
	Marine gas oil	GH₵ 0.23 per litre
	Liquefied petroleum gas	GH₵ 0.73 per kg
Road Fund Levy	Petrol, diesel and naphtha	GH₵ 0.48 per litre
Energy Fund Levy	Petrol, diesel, fuel oil and naphtha	GH₵ 0.01 per litre
	Kerosene	GH₵ 0.01 per litre
Public Lighting Levy	Electricity	3% of the price per kWh
National Electrification Scheme Levy	Electricity	2% of the price per kWh

Source: Energy Sector Levies Act 2025, (Act 1135) and Energy Sector Levies (Amendment) Bill, 2025.

Customs taxes

Import duty

Import tariffs in Ghana apply to imported goods classified by the internationally accepted system of classification known as the Harmonised Commodity Description and Coding System. As part of the Economic Community of West African States (ECOWAS), Ghana’s tariff schedule applies a common external tariff to goods at a rate of 0%, 5%, 10%, 20% or 35%.[25] The rate that is applied to an imported good depends on the precise classification of the import. Basic social

[25] However, the Exemptions (Amendment) Act 2023 (Act 1110) introduced a waiver of customs duties and customs taxes in respect of the importation of fishing gear for agricultural purposes and for related matters. Also, the Customs (Amendment) Act 2023 (Act 1106) provides for a waiver of customs duties and customs taxes in respect of the importation of raw materials for the manufacturing of sanitary towels and for related matters.

goods and raw materials into production are generally taxed at lower rates, while finished goods are taxed at higher rates. Table 3.8 presents an overview of the rates applying to different types of goods.

Table 3.8. Import duty rates under the ECOWAS common external tariff

Type of good	Duty rate
Basic social goods (e.g. pharmaceutical products)	0%
Basic, raw and capital goods (e.g. steel ingots, flat-rolled products of iron)	5%
Inputs and semi-finished goods (e.g. tomato paste concentrate)	10%
Finished goods (e.g. electric domestic appliances)	20%
Specific goods for economic development (e.g. meat and edible offal)	35%

Source: ECOWAS, https://ecotis.ecowas.int/policy-development/common-external-tariff-cet/.

Import duties apply to the cost, insurance and freight (CIF) value of imports. In addition, various small taxes and levies apply specifically to imported goods. These are summarised in Table 3.9. However, apart from the Special Import Levy, these taxes are not part of the government's general revenue but are collected by the GRA on behalf of the respective organisations.

Table 3.9. Levies charged on imports in Ghana

Levy	Base	Rate
AU Import Levy	All imported goods from non-AU states	0.2% of the CIF value
ECOWAS Levy	All imported goods from non-ECOWAS states	0.5% of the CIF value
Export–Import Levy	Selected non-petroleum imported goods	0.75% of the CIF value
Special Import Levy	All imports, except for petroleum products, fertilisers, and machinery and equipment	2% of the CIF value

Note: Other important charges at the ports include the inspection charge and the Customs Classification and Valuation Report processing fee, among others. These are not tax collections, however.

Source: African Union Import Levy Act 2017 (Act 952); ECOWAS Protocol A/P1/7/96; Special Import Levy Act 2013 (Act 861) as amended; Ghana Export-Import Bank Act 2016 (Act 911); Excise Duty Act 2014 (Act 878) as amended.

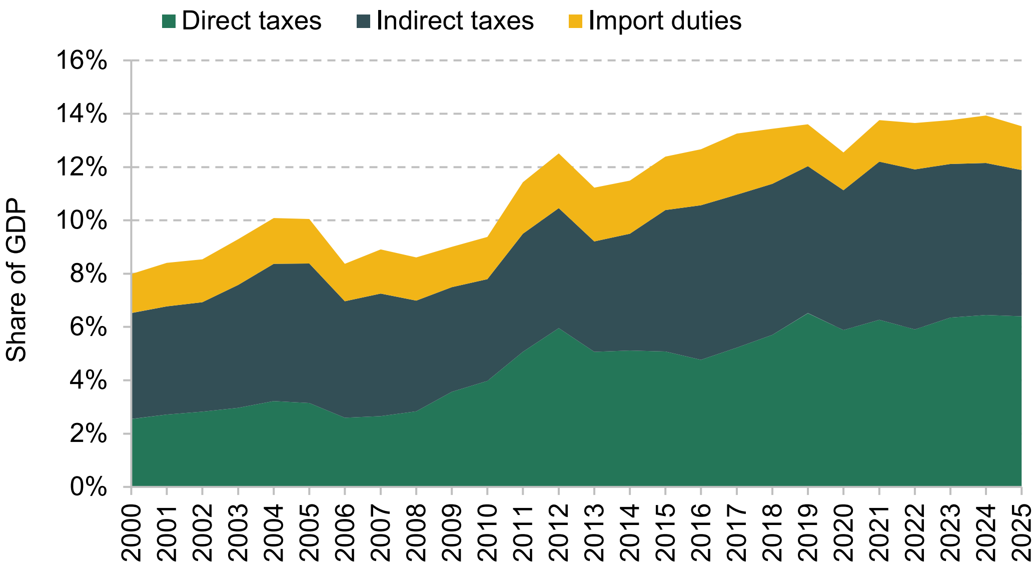
4. Recent reforms and trends

This section highlights recent developments in Ghana's tax system, focusing on key tax policy reforms and long-term trends in revenues generated from different tax instruments.

Aggregate trends

Total tax revenues in Ghana have grown during the 21st century, from just under 8% of GDP in 2000 to 13.5% in 2025 (Figure 4.1). While this is a significant increase, the overall level of tax revenue mobilisation remains low compared with a number of key comparator nations in sub-Saharan Africa and with those at similar income levels. We explore these comparisons in Section 5.

Figure 4.1. Tax revenue collections in Ghana, 2000–2025



Note: Tax-to-GDP ratios are computed using the non-oil GDP. This is to ensure consistency with the approach followed by the GRA in their tax-to-GDP computations.

Source: Authors' calculations based on data from the Ghana Revenue Authority, the Bank of Ghana and the Ghana Statistical Service.

However, the aggregate trend masks significant differences between tax types. Between 2000 and 2025, revenues from direct taxation grew from around 2.6% of GDP to over 6.4% of GDP. Indirect tax revenue excluding import duties has seen more modest growth, increasing from just under 4% of GDP to around 5.5%.[26]

In contrast, import duty revenues are roughly the same share of GDP in 2025 (1.6%) as in 2000 (1.5%). After having grown to a peak of over 2% in 2016–18, import duty revenues dropped substantially in 2019 back down to 1.6% of GDP because effective tariff rates decreased significantly in April of that year as a result of the benchmark values discount policy (see Iddrisu et al., 2021b).[27] Revenues have then not recovered even after the full reversal of the policy.

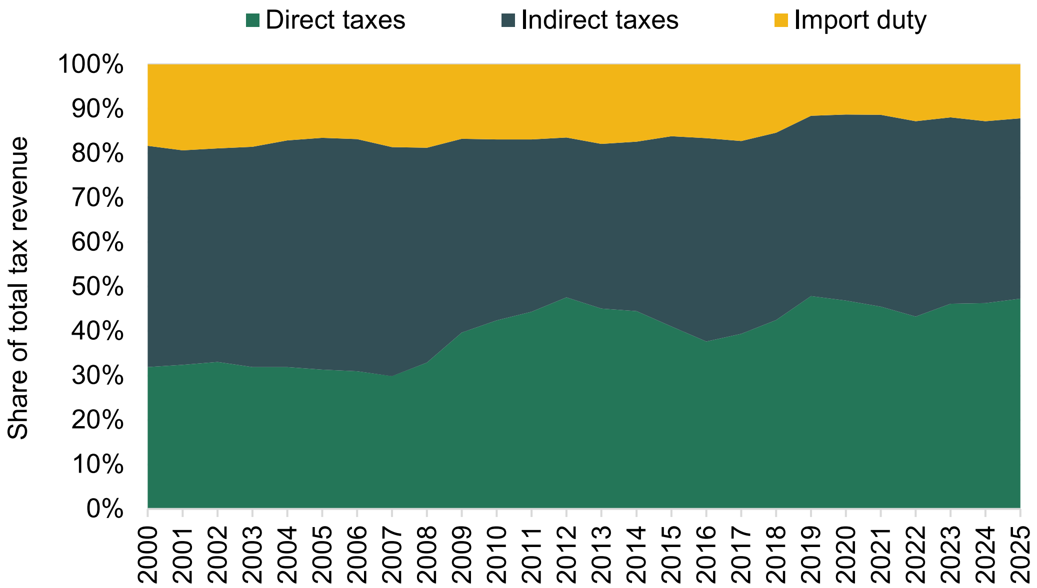
These trends mean that the overall composition of tax revenues in Ghana has shifted between 2000 and 2025 (Figure 4.2). Most notable overall is a shift away from indirect taxes and towards direct taxes, much of which occurred between the late 2000s and early 2010s. The share of revenues collected from indirect taxes had first risen in the early 2000s to a peak of 52% in 2005 and 2006 and then fell substantially to 36% in 2012. Direct taxes, which contributed 32% of total tax revenues in 2000, rose to a peak of 48% in 2012. Since then, the share of both direct and indirect taxes has fluctuated over time, reaching 47% and 41%, respectively, in 2025.

While import duties are still an important part of the country's overall tax revenue mix, their relative importance declined gradually over time. In the early 2000s, import duties contributed 18–19% of total tax revenue; by 2025, they only contributed 12.1%. This decline in the share of import duties mirrors a pattern seen in many countries of different income levels around the world (Besley and Persson, 2013), following a consensus that taxes that apply to imported goods specifically are likely to be particularly distortive.

[26] This includes indirect taxes collected at customs that are not customs duties, such as VAT on imports.

[27] The benchmark values discount policy reduced the assessed value on which import taxes are applied by up to 50% and 30% for general goods and vehicles, respectively.

Figure 4.2. Overall tax revenue collection composition, 2000–25



Source: Authors' calculations based on data from the Ghana Revenue Authority.

From an administrative perspective, it is also interesting to note that the share of total taxes collected at customs clearance has declined from 55% in the early 21st century to an average of 28% in recent years. This may partly reflect an increased ability to collect taxes domestically.

The tax reform process

Ghana's calendar of fiscal announcements centres on its annual and mid-year Budget presentations. Annual Budgets, which lay out the government's fiscal programme for the year ahead, usually occur in November during non-election years and in March of the year in which a newly elected government takes office. In each year, usually before the end of May, the Finance Minister is required to submit a fiscal strategy document to Cabinet for the ensuing three- to five-year period which, among other things, includes a fiscal forecast and a statement of policy measures intended to ensure that the government meets fiscal policy objectives.

Halfway through every year, before the end of July, a mid-year fiscal policy review provides an update of the government's fiscal position. This may lead to the preparation of a supplementary Budget where there is the need to appropriate new revenue, or to introduce, modify or cancel fiscal measures. Most tax policy reforms in Ghana are announced during these Budget events. Occasionally, administrative policy changes are introduced outside of Budget events, with the 2019 benchmark values reform (described below) serving as one example.

The rest of this section compiles a comprehensive list of various tax policy reforms undertaken in Ghana over the past two and half decades. As well as serving as a reference for practitioners and researchers, this information is important for understanding developments in different components of the country's tax revenue mix presented subsequently.

Direct taxes

Table 4.1 lists key reforms to direct taxes in Ghana since 2000. Over this period, the rates and bases of both the CIT and the PIT have changed several times. Most notably, the standard rate of CIT was reduced from 35% to 25% between 2001 and 2006, and more recently new top rates of PIT were introduced, first in 2018 and then again in 2023. Other direct taxes have also been introduced and/or abolished over the period. Most importantly, the National Reconstruction Levy (a charge on the pre-tax profits of companies) was introduced in 2002 and abolished in 2007, and the Growth and Sustainability Levy (GSL) replaced the National Fiscal Stabilisation Levy (NFSL) in 2023 and expanded coverage to all businesses.

Figure 4.3 shows direct tax revenue trends over the period. Unsurprisingly, the CIT and the PIT are the main sources of revenue in this category, accounting for almost 86% of total direct tax revenues in Ghana on average in the last three years. These two taxes followed strikingly similar paths in terms of revenue raised as a percentage of GDP between 2000 and 2014, aside from cuts in the main rate of CIT in 2005 and 2006 seemingly affecting the positive gradient for that series for a couple of years. Since 2014, however, PIT revenues have not increased relative to GDP, highlighting the challenges of improving tax enforcement on individuals in a highly informal economy. CIT revenues, on the other hand, have performed more strongly, partly buoyed by growth in the mining and financial services sectors.

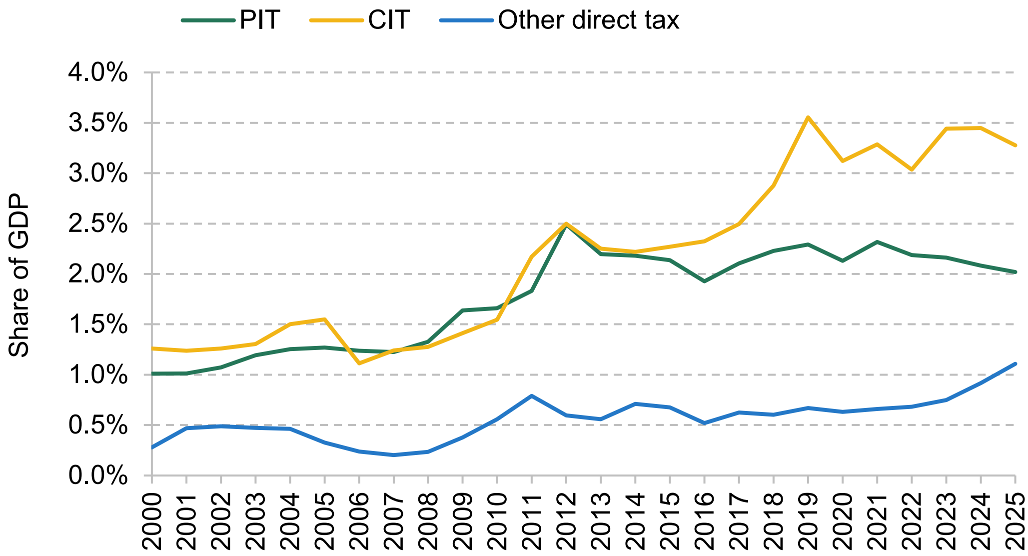
Table 4.1. Main direct tax policy reforms in Ghana, 2000–25

Tax type	Year	Reform
PIT	2001	Income tax structure reformed: top and middle rates reduced by 5 percentage points and thresholds increased, and a range of reliefs introduced
	2003	Vehicle income tax sticker system introduced
	2005	Top rate reduced from 30% to 28%
	2006	Bottom threshold set at annual minimum wage
	2007	Top rate reduced to 25%; 15% and 20% rates consolidated into one 17.5% rate
	2011	Thresholds revised; five personal reliefs increased by a factor of 2–3
	2016	Individual capital gains became subject to PIT
	2018	New top marginal rate of 35% for incomes over GH₵ 120,000 introduced
	2019	Top income tax threshold increased from GH₵ 120,000 to GH₵ 240,000, and rate decreased from 35% to 30%
	2020	Five personal reliefs increased by a factor of 3–10
	2023	Thresholds revised and a new top band of 35% introduced; vehicle benefits revised
	2025	Modified taxation system introduces a flat rate of 3% on turnover for eligible taxpayers
CIT	2001	CIT reduced from 35% to 32.5% (30% if listed on Stock Exchange)
	2004	CIT incentives revised, including reduced rates and holidays for agro-processing and for companies listed on Stock Exchange; introduction of incentives for waste processing
	2005	Reduction in standard rate from 32.5% to 30%
	2006	Reduction in standard rate from 30% to 25%
	2012	Higher 35% rate introduced for mining and petroleum
	2021	30% reduction in CIT rate for Q2–Q4 for firms in education, travel and tours, arts and entertainment, and hotels and restaurants
	2023	5% on turnover as a minimum chargeable income for companies that have been consistently making loses for five years
Other direct taxes	2002	National Reconstruction Levy introduced – a surcharge of 1.5–7.5% paid by companies on pre-tax profits
	2006	Royalty rate for mining operations revised to between 3% and 6%
	2007	National Reconstruction Levy ended; dividend tax reduced from 10% to 8% and capital gains tax reduced from 10% to 5%
	2008	Airport tax increased by 50% for international travel
	2009	NFSL introduced as a temporary measure
	2011	NFSL ended; all airport tax rates increased
	2013	NFSL reintroduced (subsequent renewals have followed, including a five-year renewal from 2020)
	2016	Capital gains tax and gift tax incorporated into income tax
	2021	Financial Sector Recovery Levy introduced until at least 2024
	2023	Gross gaming revenue tax and withholding tax on lotteries and betting introduced The GSL, introduced to replace NFSL, with expanded coverage
	2025	Tax on unprocessed gold from small-scale miners of 1.5% abolished Withholding tax on betting abolished

Note: The table is not exhaustive.

Source: Budget documents; Ministry of Finance and Ghana Revenue Authority staff.

Figure 4.3. Direct tax revenue collections, 2000–25

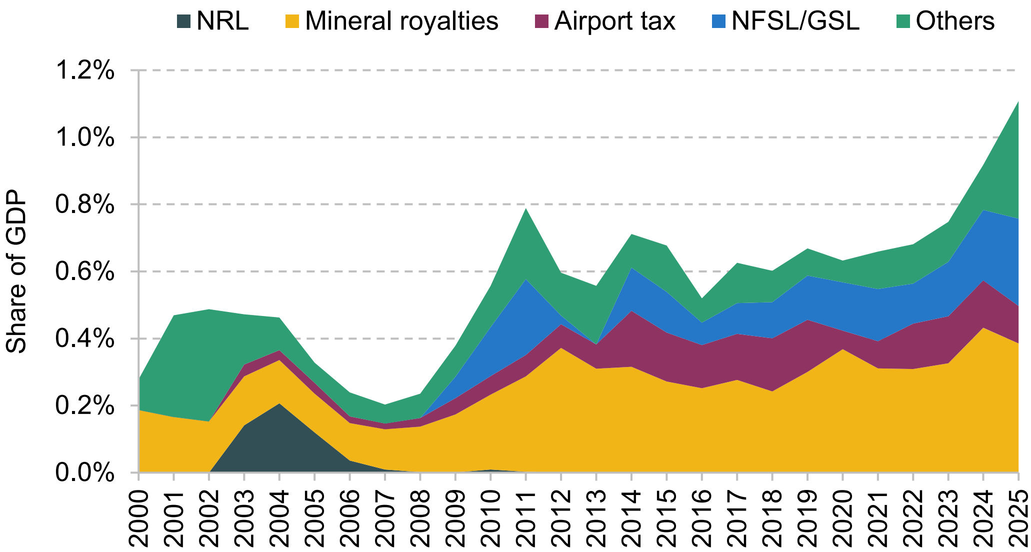


Source: Authors' calculations based on data from the Ghana Revenue Authority, the Bank of Ghana and the Ghana Statistical Service.

The importance of other direct taxes has varied over time with the implementation and removal of different taxes (Figure 4.4). Together, these taxes raised revenue of only 0.79% of GDP in 2011 as the National Reconstruction Levy was phased out. Since then, mineral royalties and the implementation of the NFSL/GSL in 2009 have driven increased revenue collection from this set of taxes, though they are still a small part of the overall tax revenue mix.[28]

[28] The NFSL was replaced by the GSL in 2023 with coverage expanded to include other types of businesses that were not covered by the NFSL.

Figure 4.4. Composition of other direct tax collections, 2000–25



Note: 'Others' includes, for instance, dividend taxation, stamp duty and the Financial Sector Clean-Up Levy.

Source: Authors' calculations based on data from the Ghana Revenue Authority and the Ghana Statistical Service.

Indirect taxes

Table 4.2 lists key reforms to indirect taxes in Ghana since 2000. For VAT, the most significant changes occurred near the beginning of this period, including an effective 5 percentage point increase between 2000 and 2003, with the earmarking of 2.5 percentage points of VAT to the Ghana Education Trust Fund and the introduction of the National Health Insurance Levy (NHIL). In 2018, the conversion of NHIL and decoupling of the GETFL into sales taxes, which could not be reclaimed by businesses paying them on their inputs, was another notable shift in VAT-related policy (subsequently reversed from January 2026). In 2023, there was a further 2.5 percentage points increase in the standard VAT rate.

Table 4.2. Key indirect tax policy reforms in Ghana, 2000–25

Tax type	Year	Reform
VAT, NHIL, GETFL, CHRL	2000	Standard VAT rate increased from 10% to 12.5% with additional revenue allocated to Ghana Education Trust Fund
	2001	VAT turnover registration threshold reduced from GH₵ 20,000 to GH₵ 10,000
	2003	National Health Insurance Levy introduced at 2.5% and treated similarly to VAT
	2004	0% rate for imported raw materials Exemption for imported irrigation pumps and fishing materials
	2007	VAT Flat Rate Scheme introduced for retailers at 3%
	2011	VAT registration threshold increased from GH₵ 10,000 to GH₵ 90,000 Pharmaceutical and paper products made exempt
	2013	VAT registration threshold increased to GH₵ 120,000 VAT Flat Rate Scheme abolished
	2014	Standard VAT rate increased from 12.5% to 15%
	2017	VAT Flat Rate Scheme introduced for retailers and wholesalers at 3%
	2018	GETFL and NHIL turned into sales taxes, which are not input-deductible, and the standard VAT rate set to 12.5% VAT withholding introduced
	2021	COVID-19 Health Recovery Levy introduced, adding 1 percentage point to both the VAT Flat Rate Scheme and standard VAT system
	2022	VAT zero-rating of locally manufactured textiles and locally assembled vehicles introduced
	2023	Standard VAT rate increased from 12.5% to 15% Introduction of upfront VAT to be paid by VAT-unregistered importers
	2024	VAT flat rate on the rental of commercial premises and on the supply of immovable property by an estate developer introduced VAT zero-rating of locally manufactured textiles and locally manufactured motor vehicles extended Zero rate of VAT introduced on locally manufactured sanitary towels Alignment of VAT treatment of domestic and imported goods
	2026	Recoupling of the NHIL and GETFL into the standard VAT system Increase in the VAT registration threshold from GH₵ 200,000 to GH₵ 750,000 Abolition of the VAT Flat Rate Scheme Abolition of the COVID-19 Health Recovery Levy Abolition of VAT on reconnaissance and prospecting of minerals Extension of the zero-rating of VAT on the supply of locally manufactured textiles to 2028

Fuel taxes	2001	Petroleum excise duty introduced at 2 pesewas per litre/kg of petroleum products, with cross-subsidisation of liquefied petroleum gas and kerosene
	2003	Increase in Road Maintenance Levy to 4 pesewas and introduction of Energy Debt Recovery Levy at 6.4 pesewas, both per litre/kg of petroleum products
	2005	Fuel taxes overhauled: various fuel levies (ad valorem and specific) introduced and subsidies removed, implying a large price increase for petroleum products
	2008	Specific excise duty rates reduced for petroleum products and the Energy Debt Recovery Levy reduced to 2.5 pesewas per litre
	2009	Specific excise duty rates reduced for all petroleum products
	2014	The special petroleum tax introduced at 17.5% Petroleum excise tax converted to specific duty
	2015	Energy sector levies legislation consolidated into one Act, and their number decreased from six to four
	2017	The special petroleum tax reduced to 15% Petroleum excise duties abolished
	2018	The special petroleum tax reduced to 13% as the result of changing the tax from an *ad valorem* rate to a specific, fixed rate per litre/kg.
	2021	Energy Sector Recovery Levy and the Sanitation and Pollution Levy introduced at rates of 20 and 10 pesewas per litre of petrol or diesel, respectively
Other indirect taxes	2007	Excise duties converted to specific taxes, increased on alcohol and decreased on tobacco
	2008	6% communications service tax rate introduced Excise duties converted to ad valorem rates
	2011	20% excise duty on plastic products introduced
	2012	Sliding-scale excise duty rates introduced according to use of local raw inputs
	2014	Excise duty increased on tobacco products Excise tax stamp introduced
	2019	Communications service tax increased to 9%
	2020	Communications service tax reduced to 5%
	2022	Electronic Transfer Levy introduced at rate of 1.5%
	2023	Electronic Transfer Levy rate reduced to 1% Excise duty on fruit juices introduced at rate of 20% Excise duties on tobacco converted to a combination of ad valorem and specific Excise duties on electronic cigarettes and smoking devices introduced at 50% Excise duties on electronic liquids introduced at 50% of ex-factory price and a specific duty of GH₵ 0.50 per millilitre Excise duty rate on cider beer increased to 47.5%

	2024	Emissions Levy to be charged on industrial and vehicle emissions
		Excise duty rate on plastics reduced and coverage expanded to imported plastic packaging
	2025	Stamp duty rates increased
		Repeal of the Emissions Levy
		Repeal of the Electronic Transfer Levy

Note: The table is not exhaustive. The Ghana cedi was redenominated at a rate of 1:10,000 in 2007; all figures here are in the new currency.

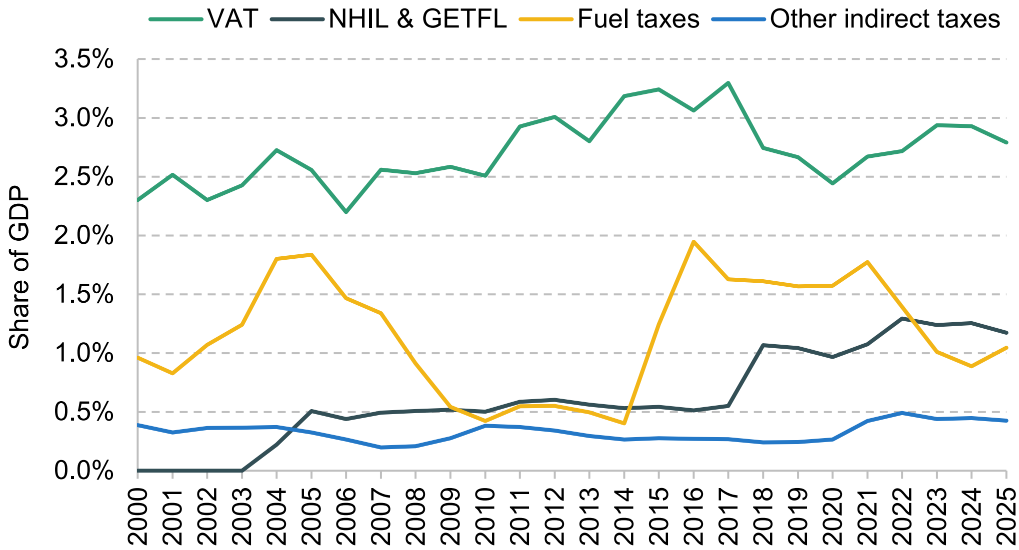
Source: Budget documents; Ministry of Finance and Ghana Revenue Authority staff.

The taxation (and subsidisation) of petroleum products has also changed substantially over time as the energy sector in Ghana has undergone various phases of deregulation. The communications service tax was introduced in 2008, while excise duties have oscillated between specific and ad valorem rates over time. The introduction and repeal of the Electronic Transactions Levy in 2022 and 2025, respectively, is another important feature of reforms to Ghana's indirect tax system in recent years.

Important revenue trends have accompanied these policy changes in the last two and half decades (Figure 4.5). VAT revenues as a share of GDP have fluctuated over this period and have declined in recent years compared with the peaks recorded in the mid-2010s. However, when revenues from the NHIL and GETFL are included, the combined VAT-related revenues increased from 2.3% to 4.0% of GDP between 2000 and 2025. Most of this growth has occurred since 2020, reflecting higher revenues generated by the increase in the standard VAT rate to 15% and the full reversal of the benchmark values discount policy reform in 2023.

Figure 4.6 breaks down the composition of these revenues over time, including by domestic and customs collections. This shows the increased role that domestically collected revenues play for these taxes – particularly since 2019 as revenues collected at customs have stalled somewhat. Overall, the share of tax collections on imported goods in the overall indirect tax revenue mix has fallen from 50% in 2000 to 31% in 2025.

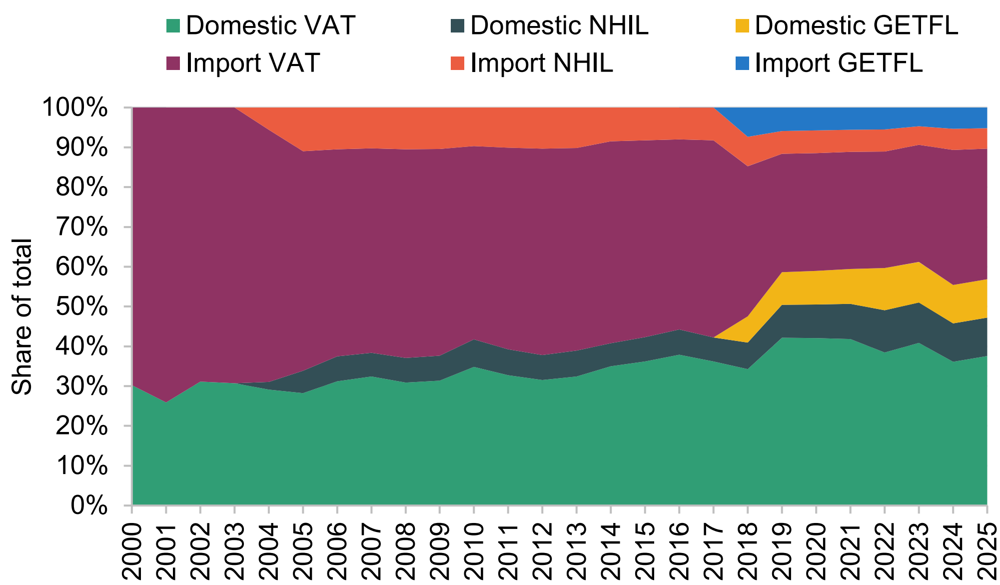
Figure 4.5. Indirect tax revenue collections, 2000–25



Note: The figure shows collections only. Before 2018, GETFL revenues were reported as part of VAT. Other indirect taxes include excise duty, communications service tax and CHRL. Fuel taxes consist of the special petroleum tax, petroleum excise duty and the Energy Debt Recovery Levy. VAT refunds are not incorporated.

Source: Authors' calculations based on data from the Ghana Revenue Authority, the Bank of Ghana and the Ghana Statistical Service.

Figure 4.6. Domestic and import VAT, NHIL and GETFL collections, 2000–25



Note: The figure shows collections only. VAT refunds are not incorporated.

Source: Authors' calculations based on data from the Ghana Revenue Authority.

Tax revenue collections from the various fuel taxes in use over the last two decades have changed substantially (Figure 4.5). Trends in these revenues relate not only to the taxes in place, but more broadly to the regulation of pricing of fuel products in Ghana. Since 2001, there have been numerous phases of liberalisation of petroleum prices. The increase in fuel tax revenues in the early 2000s reflects a first phase of deregulation. Fuel tax revenues were notably lower from 2008 to 2014, following increases in world prices and cuts in the tax rates applied to help ameliorate their impacts. In line with reforms over the period 2014–15, tax revenues from fuel taxation increased substantially prior to 2022, with their levels relative to GDP being similar to those in the years immediately before the Global Financial Crisis. In 2024, however, fuel tax revenues witnessed a significant decline, falling by 49% relative to their 2021 levels. This can largely be attributed to different forms of evasion, including under-declaration, fuel diversion and smuggling.[29] In 2025, fuel tax collections increased slightly, largely driven by the increase in fuel tax rates in that year.

Customs taxes

Table 4.3 lists key reforms to customs taxes in Ghana since 2000. Major changes to the taxation of imported goods include the adoption of the ECOWAS common external tariff from 2016, reductions in the 'benchmark value' of many imported goods of up to 50% in 2019 – which reduced the value on which goods are assessed for taxes and constituted a substantial effective tax rate reduction – and the reversal of the 'benchmark value' discount policy in 2022 and 2023.

[29] See the article 'GRA reveals massive petroleum tax revenue loss' by S. Awuah in *The Ghana Report*, https://theghanareport.com/news/gra-reveals-massive-petroleum-tax-revenue-loss/.

Table 4.3. Key customs tax reforms in Ghana, 2000–25

Tax type	Year	Reform
Import duties	2002	5% duty applied to zero-rated goods (excluding education, health and agriculture inputs)
	2003	Import duty increased from 10% to 15% for finished goods and from 20% to 25% for rice; increased to 20% for finished poultry; reduced from 10% to 5% for textile inputs and aluminium ingots
	2007	5% concessionary import duty rate on raw materials imported by registered manufacturers
	2009	Duty restored on rice, wheat and cooking oil following temporary suspension
	2013	Special Import Levy introduced at a rate of 1–2% of cost, insurance and freight value of imports (except petroleum)
	2016	Implementation of ECOWAS common external tariff
	2019	Introduction of the benchmark values discount policy – which provides 50% and 30% discount for general goods and vehicles, respectively
	2022	Partial reversal of the benchmark values discount policy – discount removed for selected general goods and vehicles.
	2023	Full reversal of benchmark values discount policy
		Waiver of customs taxes and duty on imported fishing gear for agricultural purposes
	2024	Introduction of waivers on raw materials for the manufacturing of sanitary towels, agricultural machinery, equipment and inputs that are not available locally, and certain electric vehicles

Note: The table is not exhaustive.

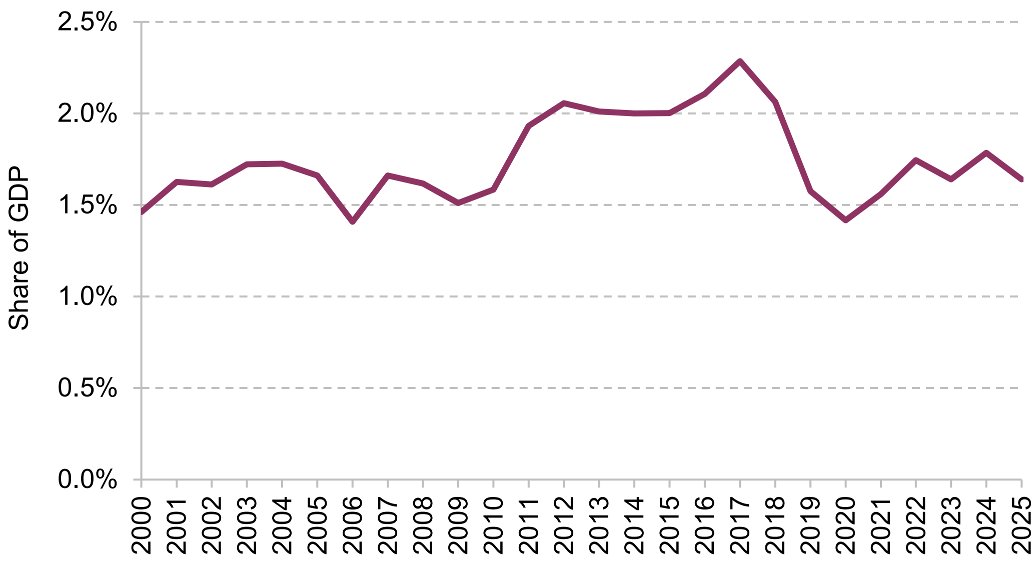
Source: Budget documents; Ministry of Finance and Ghana Revenue Authority staff.

Import duty revenues grew for much of the period but have dropped sharply since hitting a high in 2017 (Figure 4.7). The 2019 reform that reduced benchmark values for imported goods appears to have contributed to this drop, although there was also a year-on-year fall in import duty revenues in 2018. This downward trend was reversed from 2021 due to the significant depreciation of the local currency against the US dollar between 2021 and 2022 coupled with the full reversal of the benchmark values reform in 2023.[30] The appreciation of the local currency in 2025 adversely affected revenue collection at Ghana's ports, since a local currency appreciation effectively reduces the tax base, in Ghanaian cedis, on which import taxes are charged.[31]

[30] The Ghana cedi experienced an annual depreciation rate of 4.1%, 30% and 27.8% in 2021, 2022 and 2023, respectively, against the US dollar (see Bank of Ghana, 2023, 2024).

[31] In 2025, the Ghana cedi appreciated by 40.7% against the US dollar (Bank of Ghana, 2026a).

Figure 4.7. Import duty revenue collections, 2000–25



Note: The figure includes all taxes levied specifically on imports as described in Section 3.

Source: Authors' calculations based on data from the Ghana Revenue Authority, the Bank of Ghana and the Ghana Statistical Service.

Tax administration

In addition to tax policy reforms, Ghana has also introduced considerable changes to tax administration with the aim of enhancing revenue mobilisation. Prior to 2009, different classes of taxes were administered by three independent semi-autonomous revenue agencies: the Customs, Excise and Preventive Service, the VAT Service and the Internal Revenue Service. Each of these revenue agencies had a governing board. In 2002, the individual governing boards were merged to form the Revenue Agencies Governing Board. The three autonomous revenue agencies, along with the Revenue Agencies Governing Board, were integrated in 2009 to create the Ghana Revenue Authority, which is headed by a Commissioner-General.

The Large Taxpayers Unit was established in 2003 as a one-stop shop to manage the domestic taxes collected by the VAT Service and the Internal Revenue Service under one roof for the largest taxpayers. The respective Commissioners, however, had operational supervision of the taxes within their domain, while the Revenue Agencies Governing Board was responsible for administration. The Unit also served as a pilot to the eventual integration of the individual revenue agencies. The lessons learnt informed the setting up of the Ghana Revenue Authority.

Since its inception, the GRA has embarked on a programme of significant administrative reforms, embodied in four strategic plans covering the periods 2012–14, 2015–17, 2018–21 and 2023–2027. These plans have been designed to integrate and fully modernise the GRA to enable it to carry out its mandate to strengthen enforcement mechanisms, broaden the tax base, improve processes and procedures, and implement innovative measures to increase tax revenue collections.

The GRA had three divisions at the outset: the Domestic Tax Revenue Division, the Customs Division and the Support Services Division. All other departments subsisted under the Commissioner-General. One major introduction was the application of the client-oriented organisation concept in the Domestic Tax Revenue Division to cater for the special needs of different categories of taxpayers. This led to the creation of a large taxpayer office and small and medium taxpayer offices in 2012 – each of them a one-stop shop for the administration of domestic taxes (VAT, income tax and excise duty). These offices, which are fully automated, are run on functional lines in contrast to the previous schedular system. The introduction of the self-assessment system permits all large and medium taxpayers to make their own assessments instead of having administrative/provisional assessments. The GRA also introduced the concept of policy and programme departments to act as the divisional research, monitoring and forecasting units at the Domestic Tax and Customs Headquarters.

As part of the Second Strategic Plan, the GRA created two key units – the Risk Management Unit and the Monitoring and Evaluation Unit[32] – to ensure the delivery and implementation of an enterprise-wide risk management system and consolidate monitoring, evaluation and review of strategy, programmes and operational activities. The Third Strategic Plan led to a review of the organisational structure, leading to the merger of all the research and policy and programmes offices and the modernisation office into one department and the creation of a transformation office. In 2020, the small and medium taxpayer offices were consolidated into taxpayer service centres and 10 area offices (which are responsible for managing the operations of the taxpayer service centres within their jurisdictions) across Ghana. The main objectives of the plan were to focus on

[32] The Monitoring and Control Unit of the Research, Planning and Monitoring Department was converted into the Monitoring and Evaluation Unit.

people and technology as the main drivers of revenue mobilisation in the second decade of the GRA.

A number of significant revenue administration measures have also been undertaken in the technology area. These include the digitisation of the unique taxpayer identification numbers in 2011 to replace the old taxpayer identification number, which was introduced in 2002, and upgrades to information technology infrastructure to enable digital tax administration, most notably the Ghana Customs Management System, which was introduced in 2000 to manage customs administration, and the attendant Ghana Community Network platform for front-end users. The Pre-Arrival Assessment Reporting System provided the platform for valuation of goods both prior to and on arrival in Ghana. This completed the Single Window System that provided end-to-end automation of customs administration. These have been replaced by the Integrated Customs Management System, which commenced operations in mid-2020.

The Ghana Integrated Tax Management and Integration System 3 (GITMIS 3) is currently the system used by the GRA for tax administration purposes. GITMIS 3 is a progression from GITMIS 2 and is an advanced tax information management system. The key functionalities of GITMIS 3 are real-time tax updates, compliance monitoring, audit and data management, electronic filing and payment, among others. GITMIS 2 replaced the Total Revenue Integrated Processing System (trips™), which was introduced in 2011 as a domestic tax administration system to integrate revenue collection across tax types. The trips™ system came to replace the VAT Integrated Processing System (introduced in 1998) and the Large Taxpayer Integrated Processing System (introduced in 2003) used by the VAT Service and the Large Taxpayers Unit, respectively, and the GITMIS 1 used by the Internal Revenue Service for domestic direct tax collection. The Integrated Tax Application and Preparation System was introduced in 2019 to assist taxpayers in keeping proper records required to fulfil their tax obligations, filing returns and making payments online.

As part of the 2026 administrative reforms, the GRA is in the process of replacing GITMIS 3 by fully rolling out the Integrated Tax Administration System, which will integrate core tax processes, enable easy e-filing, and curb tax evasion through intelligent risk management.[33] The new system is expected to play a key role in transforming Ghana's tax administration, enhancing efficiency and ensuring improved revenue collection. To improve VAT collection, the government is in the process of fully rolling out a cross-border technology solution to facilitate the collection of VAT on cross-border digital services and the introduction of Fiscal Electronic Devices to strengthen VAT compliance and improve the monitoring of taxable transactions. It is estimated that the full deployment of the cross-border technology solution will generate about GH₵ 2.3 billion in its first full year of operation.[34]

[33] The rollout of the Integrated Tax Administration System was one of the structural benchmarks under the ongoing International Monetary Fund Extended Credit Facility programme.
[34] The pilot phase of the system was conducted in April 2026 (Government of Ghana, 2026).

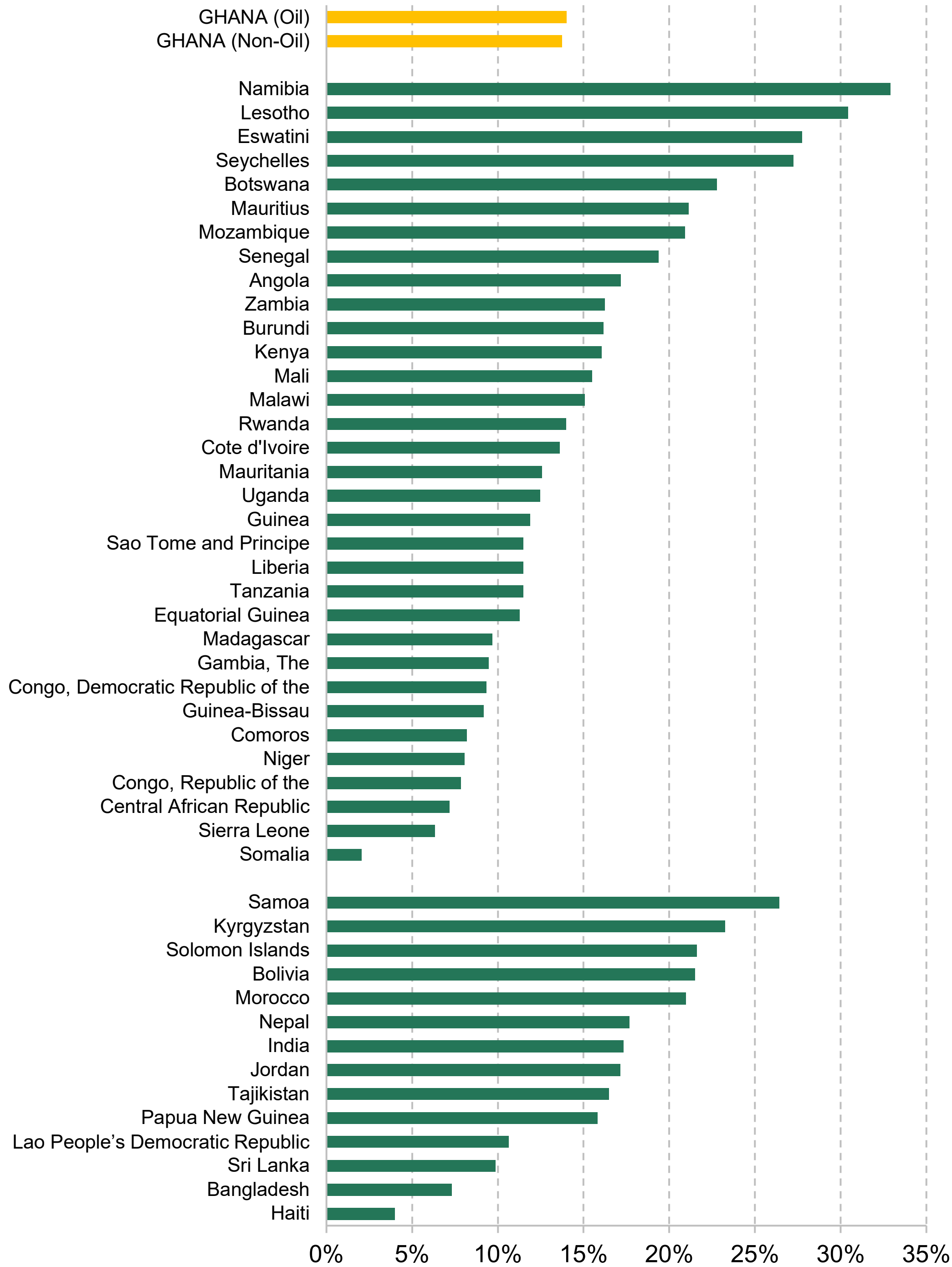
5. International context

Ghana's tax-to-GDP ratio has increased from around 8% in 2000 to approximately 13.5% today. Despite this, Ghana's tax take remains below the government's target of 18–20% of GDP by 2027 (Ministry of Finance, 2023). This level of tax revenue collection is lower than estimates that were available for Ghana about a decade ago. The reason for this is the comprehensive revision of Ghana's GDP calculations in 2018 (commonly known as 'rebasing'), which led to a substantial upwards revision of nominal GDP. This large revision in GDP highlights a key challenge when making international comparisons across developing economies. Prichard, Cobham and Goodall (2014) argue that the infrequent and irregular comprehensive revision of GDP series in developing countries often leads to the overestimation of tax-to-GDP ratios, limiting the comparability of tax-to-GDP ratios across countries.

Bearing in mind this caveat, Figure 5.1 compares tax revenues in Ghana with those in other countries in sub-Saharan Africa (SSA) and other (non-SSA) lower middle-income countries in 2023, the latest year for which comparable cross-country data are currently available disaggregated by tax type.[35] Total tax collections in Ghana are fairly typical of SSA overall. However, Ghana is a higher-income country than most countries in this group, and it lags behind most countries in the same broad income grouping overall. Out of a sample of 34 countries from SSA in the United Nations University World Institute for Development Economics Research (UNU-WIDER) Government Revenue Dataset, Ghana ranks 16th in 2023 in terms of tax-to-GDP ratio. Among lower middle-income countries (including those in SSA), it ranks 18th out of 26.

[35] There can be small discrepancies between the data in the Government Revenue Dataset and those compiled by national sources – in this case, from the Ghana Revenue Authority. This is because the GRA data simply reflect tax collections whereas the Government Revenue Dataset attempts to implement the most consistent treatment possible across countries for social contributions, tax refunds and VAT collected on imports, for instance, in order to facilitate international comparisons.

Figure 5.1. Tax-to-GDP ratios in SSA and lower middle-income countries, 2023

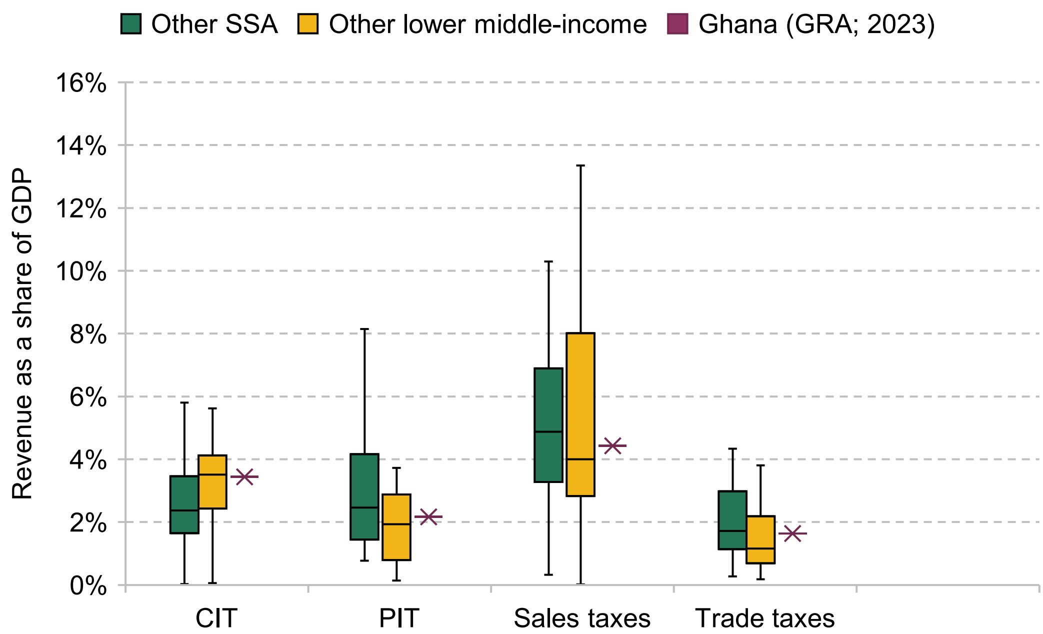


Note: All figures are for 2023 except for Burundi, Central African Republic, Congo Republic, Lesotho, Lao People's Democratic Republic and Tajikistan, which are for 2022. For Ghana, both the oil-inclusive and oil-exclusive tax-to-GDP ratio is shown.

Source: Ghana Revenue Authority, Bank of Ghana, Ghana Statistical Service and UNU-WIDER (2025).

Figure 5.2 plots the distribution of tax revenue yield from different components of the tax system in countries in SSA and from (non-SSA) lower middle-income countries, with figures for Ghana alongside for comparison.[36] Given some substantial changes across tax types in recent years in Ghana, as shown in Section 4, here data for Ghana are from 2023; data for most other countries come from 2022 and 2023, though some are from 2016–21.

Figure 5.2. Tax revenues by tax type in Ghana and comparator countries, 2016–23



Note: Data for Ghana are from 2023; data for most other countries come from 2022 and 2023, though some are from 2016–21. Sample varies between each tax revenue category according to data availability; values of zero excluded. Sample may not be representative. Ghanaian sales tax revenue includes VAT, NHIL, GETFL and CHRL. For Ghana, the figures are expressed as a share of non-oil GDP. The line within a box shows the median value within the group. The bottom and top lines of a box indicate the interquartile range, and the whiskers indicate the minimum and maximum values (excluding outliers).

Source: UNU-WIDER (2025), Ghana Revenue Authority, Bank of Ghana and Ghana Statistical Service.

[36] There are other components of the overall tax revenues, such as excise and property taxes, that are not shown here.

For corporate tax revenue, Ghana is in the top half of the SSA sample in terms of revenue raised as a share of GDP, and around the median of other lower middle-income countries. This largely reflects significant increases in Ghana's CIT revenue collection between 2018 and 2023; CIT collections as a share of GDP increased by close to 20% over that period.

The pattern is somewhat different for trade taxes. In 2017, Ghana raised slightly less than the average SSA country but more than a typical lower middle-income country, which tend to raise relatively less from this source overall. As Figure 5.2 shows, this is mostly still the case in recent years as Ghana has moved closer to a typical SSA country.

Personal income tax and general sales tax exhibit much greater variability across countries in revenue collections in the sample considered. In terms of the PIT, tax revenue in Ghana is lower than in many comparator countries in SSA but is above the median of other lower middle-income countries. However, for general sales taxes, Ghana is in the top half of the non-SSA lower middle-income countries sample and around the median of SSA countries.[37] While the median SSA and other lower middle-income countries collected general sales tax revenues of over 4.9% and 4.0% of GDP, respectively, for Ghana this figure was 4.4% in 2023.

For each of these tax revenue components, a wide range of factors could drive differences in revenue collection across countries. Fundamentally, though, two variables determine the tax revenue collected. The first is the effective size of the tax base to which the tax applies, which is partly a function of structural and macro-economic factors and partly a function of tax policy and administration (e.g. compliance, enforcement, reliefs and exemptions). The range of factors that determine the size of the tax base in practice means that it is extremely difficult to compare across countries.

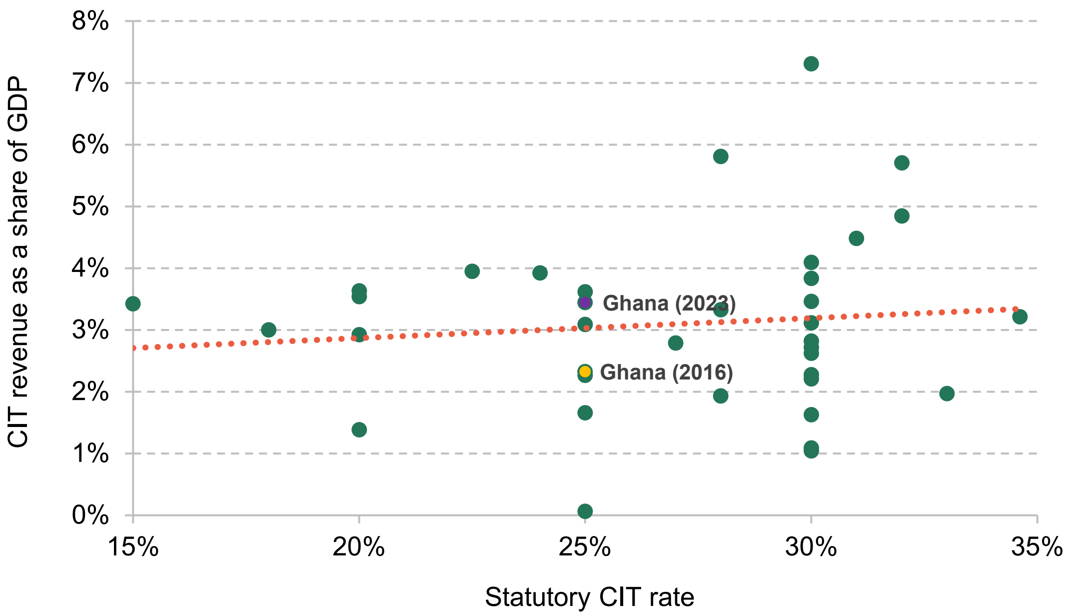
The second factor that determines revenues is the (average) tax rate applying to the relevant tax base. Although tax rates for a given tax base may vary by individual taxpayer, tax rates are easier to compare across countries than tax bases. This is particularly true for taxes such as the CIT and the VAT, which are typically characterised by a statutory rate that applies to most of the tax base. Comparing

[37] For Ghana, general sales tax revenues comprise VAT, NHIL, GETFL and CHRL.

Ghanaian tax rates and revenue collections with other countries provides suggestive evidence on whether tax policy (and tax rates specifically) can help explain Ghana's relative tax revenue yield. Such evidence must be interpreted only as suggestive though, given that the samples available are small and not necessarily representative, and given the simplicity of the parameters used.

Figure 5.3 first considers statutory CIT revenues and rates in a sample of SSA and lower middle-income countries, showing one observation per country over the period 2016–23 according to data availability. There is considerable variation in the headline CIT rate in the sample, ranging from 15% to 35%. As a percentage of GDP, CIT revenues range from 0.06% to 7.3%. The dashed red line shows a slight positive association between statutory tax rates and revenues. The overall pattern suggests that, given its statutory CIT rate, Ghana used to collect less CIT revenue than would be expected, but growth in revenue collections in the past few years means that it is now slightly above the trend line.

Figure 5.3. CIT rates and revenues across countries, 2016–23

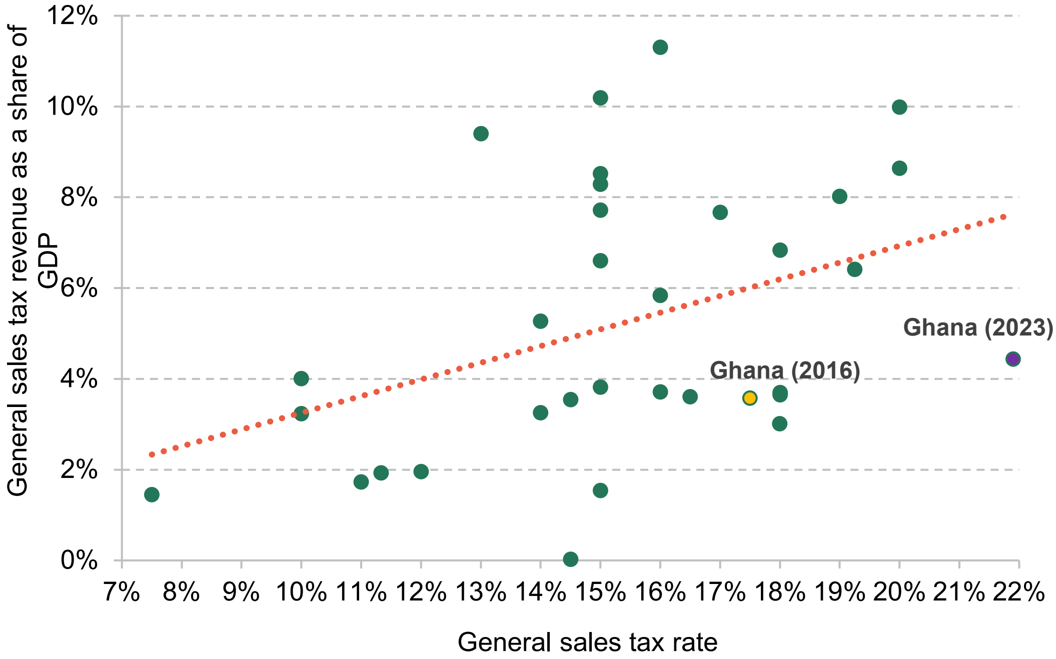


Note: Data are from different years according to availability. One observation per country (two for Ghana). Sample comprises 37 countries either from SSA or in the lower middle-income country grouping.

Source: Ghana Revenue Authority, Bank of Ghana, Ghana Statistical Service, UNU-WIDER (2025) and KPMG tax rates data.

Figure 5.4 conducts the same exercise for general sales tax revenues, which comprise VAT, NHIL, GETFL and CHL for Ghana.[38] Here, the statutory VAT rates range from 7.5% to 20%, and Ghana's combined VAT and levies rate in 2023 was around 21.9%, which is the highest among the countries considered in the sample. Like the CIT case, a positive association between tax rates and tax revenues exists in this sample, but Ghana's revenues are below what one would expect given its headline rate. This could be due to a range of factors, including but not limited to compliance, VAT registration requirements or the breadth of exemptions.

Figure 5.4. General sales tax rates and revenues across countries, 2016–23



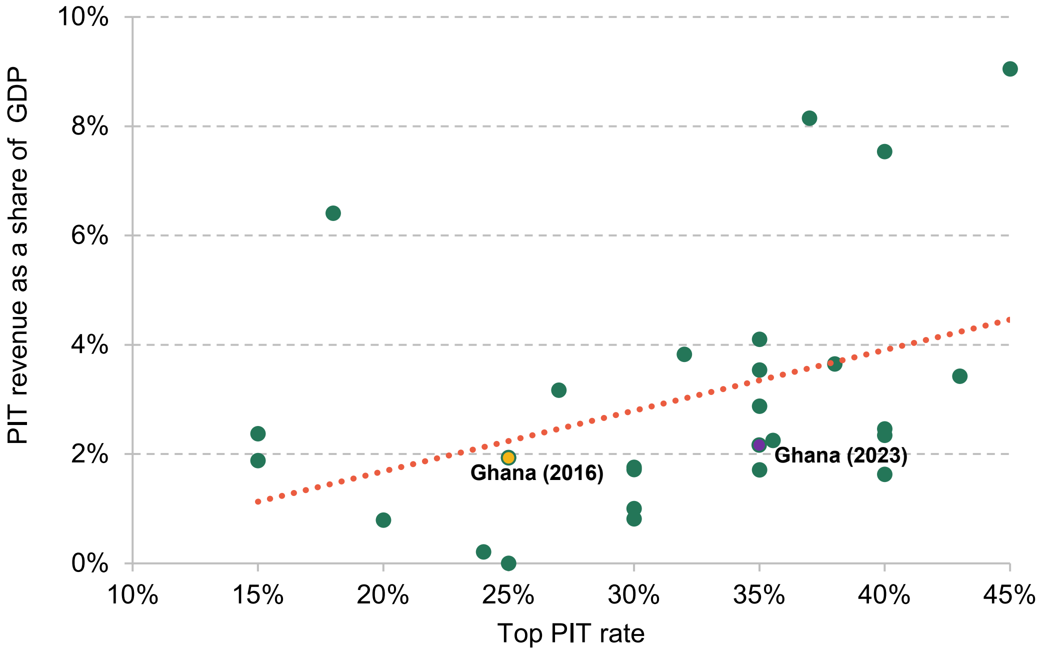
Note: Data are from different years according to availability. One observation per country (two for Ghana). Sample comprises 33 countries either from SSA or in the lower middle-income country grouping.

Source: Ghana Revenue Authority, Bank of Ghana, Ghana Statistical Service, UNU-WIDER (2025) and KPMG tax rates data.

[38] The increase in the overall sales tax rate from 17.5% to 21.9% for Ghana between 2016 and 2023 reflects the following: (i) the standard VAT rate increased from 12.5% to 15% in 2023; (ii) a change in the VAT tax base to include NHIL and GETFL in 2018; (iii) the introduction of the COVID-19 Health Recovery Levy in 2021.

Finally, Figure 5.5 plots the relationship between PIT rates and revenues. PIT systems are typically characterised by a schedule of rates applying to different bands of income, making statutory tax rate comparisons across countries more difficult. Here we use the highest marginal tax rate in each country as a proxy for average PIT rates, as in Lee and Gordon (2005) and Besley and Persson (2014). This does yield a positive association between rates and revenues: taken at face value, the trend line suggests that increasing the top rate from 15% to 45% more than doubles overall PIT revenues. In 2016, Ghana was just below the overall trend line, implying it raised slightly less PIT revenue than would be expected when compared with other countries. However, unlike the case of the CIT, PIT revenues in Ghana have fallen further below the trend line over the past few years.

Figure 5.5. Top PIT rates and revenues across countries, 2016–23



Note: Data are from different years according to availability. One observation per country (two for Ghana). Sample comprises 28 countries either from SSA or in the lower middle-income country grouping.

Source: Ghana Revenue Authority, Bank of Ghana, Ghana Statistical Service, UNU-WIDER (2025) and KPMG tax rates data.

6. Conclusion

The Government of Ghana has made domestic revenue mobilisation a crucial part of its medium-term development strategy, with the goal of tax revenues reaching 18–20% of GDP by 2027. Improving domestic revenue mobilisation in the country is seen as an important means of funding social programmes and public goods, as well as of improving the country's fiscal position. The detailed information provided here on the current structure of Ghana's tax system and how this has evolved over time is intended to serve as a reference point for policymakers and researchers alike when considering tax policy options for achieving these goals.

Overall, despite some gradual increases over the past two and half decades, Ghana's tax-to-GDP ratio, which stood at 13.5% in 2025, remains slightly below the average of countries of a comparable income level, though it is middling among other countries in sub-Saharan Africa. Broadly, the direction of tax reform and revenues in Ghana in the last two decades has mirrored some of the major developments seen across the world, including a reduced reliance on taxes collected on trade and increased revenues from corporate income tax and VAT. While corporate tax revenues (relative to GDP) have grown noticeably in recent years, growth in personal income tax and VAT revenues has been relatively less pronounced, and international comparisons suggest that collections for these two taxes (especially VAT) in Ghana are relatively low given the tax rates in place.

Specific policy recommendations are beyond the scope of this report. However, these aggregate patterns raise questions for further research to study different tax types and specific policy options in more detail in order to pave the way for possible recommendations for reform which can meet policy objectives in an efficient, equitable and sustainable manner.

Appendix

Table A.1. Tax collections in Ghana, 2024 and 2025

	2024		2025	
	Million GH₵	% of GDP	Million GH₵	% of GDP
GRA collections				
Pay-As-You-Earn	22,197.36	1.96%	26,713.86	1.90%
Self-employed	1,436.50	0.13%	1,620.64	0.12%
CIT	39,143.03	3.45%	46,001.21	3.28%
Other direct taxes	659.18	0.06%	3,840.06	0.27%
Mineral royalties	4,898.70	0.43%	5,411.93	0.39%
Airport tax	1,609.59	0.14%	1,564.30	0.11%
NFSL	2,379.67	0.21%	3,661.05	0.26%
FSRL	862.2	0.08%	1,085.16	0.08%
VAT	33,224.34	2.93%	39,167.12	2.79%
NHIL	7,110.10	0.63%	8,226.88	0.59%
GETFL	7,110.04	0.63%	8,226.85	0.59%
Excise duties	1,301.70	0.11%	1,557.59	0.11%
Communications service tax	823.16	0.07%	1,132.10	0.08%
Other indirect taxes	5,003.21	0.44%	4,080.36	0.29%
Import duties	20,264.23	1.79%	23,037.79	1.64%
Special petroleum tax	2,702.01	0.24%	3,130.48	0.22%
Energy Debt Recovery Levy	2,851.08	0.25%	–	0.00%
Other petroleum taxes	4,520.42	0.40%	8,306.46	0.59%
Total	158,096.55	13.93%	189,998.30	13.53%
Memoranda				
Company tax on oil	7,356.79	0.65%	3,914.20	0.28%
Royalties from oil	2,814.88	0.25%	916.34	0.07%
Non-tax revenue	27,733.64	2.44%	27,870.08	1.98%
Grants	1,715.68	0.15%	1,824.61	0.13%
Tax refunds	8,003.65	0.71%	8,757.89	0.62%
Nominal GDP	1,134,784.51		1,404,215.18	

Note: ‘GRA collections’ refer to tax collections reported by the Ghana Revenue Authority. ‘Memoranda’ items come from the Ministry of Finance and are provisional figures. Other indirect taxes include the VAT Flat Rate Scheme, COVID-19 Health Recovery Levy and Electronic Transfer Levy.

Source: Ghana Revenue Authority and Ministry of Finance.

Table A.2. Tax policy and administrative measures in the 2026 Budget Statement and 2026 Mid-Year Fiscal Policy Review

Tax policy measures – 2026 Budget Statement

- Abolish the COVID-19 Health Recovery Levy
- Abolish the decoupling of the GETFL and NHIL from the VAT tax base, allowing both levies to be subject to input tax deductions
- Abolish VAT on reconnaissance and prospecting of minerals
- Raise the VAT registration threshold from GH₵ 200,000 to GH₵ 750,000
- Extend the VAT zero-rating on the supply of locally manufactured textiles to 2028

Tax policy measures – 2026 Mid-Year Fiscal Policy Review

- Remove customs tax exemptions on bunkering services
- Introduce a hybrid excise system combining value-based and quantity-based taxation for wines and spirits
- Review the existing sliding-scale excise rates for beer and stout products
- Abolish the payment of 20 percent excise duty on locally manufactured fruit juices introduced in 2023

Tax administration and other measures – 2026 Budget Statement

- The introduction of digital solutions for tax collection systems, allowing for the monitoring and collection of VAT on cross-border transactions conducted on digital platforms owned by non-resident taxpayers
- The introduction and operationalisation of Fiscal Electronic Devices
- The introduction of a VAT reward scheme that will allow taxpayers to use their VAT receipts to benefit from a VAT promotion and reward scheme
- Deploy artificial-intelligence-driven pre-arrival inspections for all cross-border shipments

Tax administration and other measures – 2026 Mid-Year Fiscal Policy Review

- Introduce statutory maximum warehousing periods as follows:
  - Perishable goods – three months
  - General goods – six months
  - Raw materials – twelve months
- Restrict re-warehousing to a maximum of six months

- Bonded warehouses are required to operate electronic inventory systems linked to Customs to enable real-time monitoring and audit control
- Introduction of the First Port Duty Rule under which duties and taxes on goods declared for transit will become due at the first port of entry
- Free Zones operational licenses to be restricted to genuine manufacturing enterprises and requires that imported raw materials are utilised within 12 months
- Mandating the use of the appropriate tax identification number for all importers
- Enforce the statutory requirement for bank guarantees on the lifting of refined petroleum products and require product movements to be undertaken only through approved pipelines and electronically tracked distribution systems
- Strengthen compliance with the sliding-scale excise duty system through mandatory electronic registration of stockists, a nationwide track-and-trace system, penalties of up to three times of the excise duty for tampering, and enforcing the law on requiring bank guarantees
- Roll out the next phase of the Publican Artificial Intelligence system to cover vehicle valuation module
- Introduce system controls to prevent importers with unretired Import Declaration Forms from generating new ones; retirement periods will be limited to 90 days for general goods and 120 days for equipment and capital goods
- Enforce the use of the Ghana Card Number as the sole tax identification number for all tax transactions

Source: Government of Ghana (2025, 2026).

Table A.3. Personal income tax reliefs

Eligibility	Reduction in assessable income
Dependent spouse or at least two dependent children	GH₵ 1,200
Disability	25% of the assessable income of the disabled individual
Aged 60 years and above	GH₵ 1,500
Sponsoring the education of a child/ward at a domestic institution	GH₵ 600
Dependent relative (not child or spouse) aged 60 years and above	GH₵ 1,000
Individual has self-funded training for professional, technical or vocational skills	GH₵ 2,000

Source: Income Tax Act 2015 (Act 896) and Income Tax (Amendment) Act 2019 (Act 1007).

Table A.4. Annual vehicle income tax payment amounts

Vehicle class	Vehicle description	Rate (GH₵)
A1	Tractor, power tillers and tankers	40
A2	Taxis/private taxis	48
A3	One pound, one pound/Peugeot cars/fork-lift, recovery towing trucks	60
A4	Trotro (up to 15 persons)	64
B1	Hiring cars (saloon, caravan)	320
B2	Hiring cars (4x4) four wheels	480
B3	Trotro (up to 19 persons)	80
B4	Trotro (20–23 persons)	88
B5	Trotro (24–32 persons and above)	120
C1	Commuter (up to 15 persons)	80
C2	Commuter (16–19 persons)	100
C3	Ford buses, commuter (up to 23 persons)	80
C4	Tour operator (up to 15 persons)	320
C5	Commuter (up to 38 persons)	160
C6	Tour operator (16–23 persons)	400
C7	Commuter (39–45 persons)	200
C8	Tour operator (24–38 persons)	280
C9	Tour operator (above 45 persons)	600
C10	Commuter (46 and above persons)	240
D1	Dry cargo (below 2 tons) pay loaders/pickups 2–3.5 tons	140
D2	Dry cargo (2–4 tons) tankers 2,000 gallons/sewage tankers/garbage trucks/cranes	256
D3	Tankers above 2,000 gallons/graders/bulldozers	404
D4	Dry cargo (4–7 tons)	480
D5	Tipper trucks (single axle)	320
D6	Tipper trucks (double axle)	480
D7	Articulated truck trailers (18 cubic metres)/timber trucks	800
D8	Tipper trucks (12–14 wheelers)	600
D9	Ambulance/motor hearse	88
D10	Articulated truck trailers (single axle)	800

Source: Second Schedule, Income Tax Regulations, 2016 (L.I. 2244).

Table A.5. Quarterly tax stamp (PTI) payment amounts

Category	Size	Rate (GH₵)
(A) Retail traders; susu collectors; drinking and chop bars; bakeries; business centres; estate and accommodation agents	Large Medium Small Table top	45 30 10 3
(B) Dressmakers and tailors; hairdressers, beauticians and barbers; artisans (masons, carpenters, plumbers, electricians, tillers, steel benders, labourers, etc.); hiring services other than vehicle hiring; freelance photographers	Large Medium Small Table top	35 20 5 3
(C) Butchers; individual undertakers; corn and other millers; charcoal and firewood vendors; auto technicians; vulcanisers and alignment operators; shoe and equipment repairs; traditional healers	Large Medium Small Table top	25 15 3 3

Source: Third Schedule, Income Tax Regulations, 2016 (L.I. 2244).

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