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Regulatory Alert

2025 GOVERNMENT OF GHANA BUDGET STATEMENT: KEY HIGHLIGHTS



On 11 March 2025, Hon. Dr. Cassiel Ato Forson, the Minister for Finance, presented a draft budget Statement and Economic Policy for the 2025 fiscal year to Parliament. The Budget was themed "Resetting the Economy for the Ghana We Want."

In this alert, we highlight the key tax measures introduced in the 2025 budget.



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1

Abolition of the 10% withholding tax on winnings from lottery ("Betting Tax")

In the quest to achieve the 2025 fiscal targets, the Government is proposing to abolish the 10% withholding taxes on betting tax.

2

Abolition of the Electronic Transfer Levy (E-levy) of 1%

The Government intends to scrap the 1% electronic-transfer levy on electronic money transactions.

3

Abolition of the Emissions Levy on industries and vehicles

The Government has proposed to abolish the emissions levy, which was imposed on carbon dioxide equivalent emissions from specified sectors and combustion emissions from vehicles.

4

Abolition of VAT on motor vehicle insurance policy

The 2025 budget seeks to abolish the Value Added Taxes on motor vehicle insurance policy.

5

Abolition of 1.5% withholding tax on winning unprocessed gold by small-scale miners.

The Government plans to repeal the 1.5% withholding tax on winning unprocessed gold by small-scale miners.

6

Reduction in ceiling of Tax Refund Account

The Government has proposed to reduce the current tax refund account ceiling from 6% to 4%.

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7

Consolidation of some taxes in the energy sector

The Government aims to consolidate the Energy Debt Recovery Levy, Energy Sector Recovery Levy (Delta Fund), and Sanitation and Pollution Levy into a single levy. The proceeds will be allocated to addressing energy sector shortfalls and servicing inherited debt obligations.

8

Increase in Growth and Sustainability Levy for the mining sector

The Government has proposed to increase the Growth and Sustainability Levy from 1% on the gross production of mining companies to 3% to enable the nation to have its fair share of the windfall from the increase in gold prices.

9

Special Import Levy

Extension of the sunset clause of the Special Import Levy to 2028.

10

Re-introduction of road tolls

The Government intends to re-introduce road tolls through partnership with the private sector.

11

Plans for VAT Reforms through Technical Assistance from IMF

The Government intends to undertake comprehensive Value Added Tax (VAT) reforms with the aim of reviewing the current distortions and cascading structure of the VAT regime. The ambit of the reforms shall include:

- » abolishing the COVID-19 Levy;
- » reversing the decoupling of GETFund and NHIL from the VAT;
- » reversing the VAT flat rate regime; and
- » upwardly adjusting the VAT registration threshold to exempt micro and small businesses from the collection of VAT.

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Takeaways

- » These tax measures will not take effect until the budget is approved by the Parliament of Ghana and relevant amendments to the laws are passed by Parliament as well.
- » The abolishment of the betting tax may have social consequences due to an increase in gambling activities.
- » The removal of the emissions tax may also send negative signals as it defeats the country's efforts to promote a green economy.
- » The VAT reforms may lead to a reduction in prices, increase in voluntary compliance by taxpayers, and create a more supportive environment for businesses.
- » The new Tax Refund Account Ceiling of 4% may create additional challenges for taxpayers eligible for refunds.
- » The re-introduction of road tolls will create public private partnerships opportunities in the country.
- » There is a need to consider a more digitized approach in the collection of road tolls.
- » The government will have to implement measures to widen the tax net to increase revenue and compensate for the shortfall resulting from the abolished taxes.

If you have any questions on the matters referred to in this Alert, please do not hesitate to contact the authors below.

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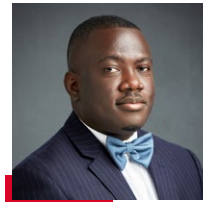
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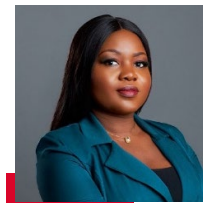
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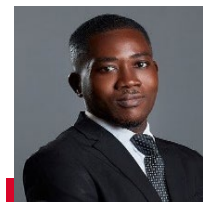
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