Experts call for tax accountability, review of tax exemption laws and digitization of payments

Tax accountability is a sure way for government to encourage citizens to pay their taxes to contribute towards national development.

This is according to experts and industry players who participated in a roundtable discussion organized by the Ghana Center for Democratic Development (CDD-Ghana) on “Taxation and Accountability in Ghana.”

In its 2021 Budget Statement and Economic Policy, the government introduced six new levies and increased other existing taxes, with the aim of helping to rebuild the country’s public finances. While some argued that the imposition of these new taxes were ill-timed, others bemoaned the lack of infrastructural development after years of paying various taxes.

Findings from Afrobarometer Round 8 survey conducted in 2019 indicate that although a majority of Ghanaians (72%) are willing to pay more in taxes to help finance the country’s development from domestic resources, a similar proportion (70%) say they find it “difficult” or “very difficult” getting information about what the government does with taxes it collects.

Thus, CDD-Ghana’s roundtable discussion, served as a platform for policy makers, tax experts, and representatives from institutions and associations such as the Ghana Revenue Authority (GRA), the Trades Union Congress (TUC), the Association of Ghana Industries (AGI) to interrogate how the country can achieve a clear and effective balance between the concerns for accountability, negative economic impact and essential need for financing development in the COVID era.

The panelists identified lack of accountability, embezzlement of public funds, and abuse of tax exemptions as some of the key factors influencing tax evasion and lack of tax compliance.

Hon. Kwaku Kwarteng, Chairman of Parliament’s Finance Committee and Member of Parliament (MP) for Obuasi West, stressed the importance of being transparent and accountable to citizens on how tax revenues are spent.

“It is important for us to hold government and public office holders accountable when it comes to taxation because citizens need to know that the monies they pay to the state by way of taxes are being put to good use,” he said.
The former Deputy Finance Minister encouraged businesses, individuals and the general public to honor their tax obligations to boost the internally generated revenue needed to address the developmental needs of the country.

Hon. Dr. Ato Forson, Ranking Member on Parliament’s Finance Committee and MP for Ajumako Enyan Essiam, was of the view that tax increments and introduction of new levies were not the solution to increasing tax revenues. He recommended the enforcement of tax laws, true accountability on tax revenues and an urgent review of tax treaties and exemptions, which according to him are being abused by some multi-national institutions and certain individuals.

On his part, Prof. William Baah-Boateng, Head of Economics Department at the University of Ghana, advocated for the digitization of the payment of direct taxes and review of the existing tax exemption laws to block loopholes which cause the state to lose revenue meant for national development.

Mr. Abeku Gyan-Quansah, Tax Partner at PwC, supported calls for the passage of the Tax Exemptions Bill which was submitted in Parliament in 2019.

CDD-Ghana’s roundtable discussions provide an avenue and the space for well-informed reflections and conversations on various topics of national interest. The discussion on ‘Taxation and Accountability in Ghana’ which is the fourth in the series of roundtables to be organized this year, forms part of the Center’s commitment to ensuring inclusive development by educating citizens on taxation and encouraging the demand for government accountability on tax expenditure, while advocating for tax reforms.

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**About CDD-Ghana**

With a mission to promote and deepen democratic consolidation, good governance, and inclusive growth and development, the Ghana Center for Democratic Development (CDD-Ghana) works to support and promote a free, peaceful, and a well-governed democracy in Ghana and in other parts of Africa. The Center has over two decades of experience, expansive reach, and a robust network of partners at the national, continental and global levels. CDD-Ghana has cultivated an enduring reputation as a leader in the field of democracy and governance, which enables the adoption and implementation of targeted strategies aimed at addressing the fundamental issues hindering citizens from enjoying the full benefits democracy and good governance has to offer.

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