

# GMS FLASH ALERT

August 2018

We wish to bring to your attention some changes that have taken place in the Ghanaian tax law in the area of personal income tax. This follows the approval of the 2018 Mid-Year Budget Review and subsequent gazette notification issued on 1 August 2018 to amend certain paragraphs of the First Schedule of the Income Tax Act, 2015 (Act 896).

The relevant changes are as follows:

## Residents

A thirty-five percent (35%) tax rate has been included in the graduated tax bands to be applied on chargeable income exceeding GHS120,000 per annum. The amended graduated tax rates are as follows:

Chargeable Income Tax	(Annual) GHS	Rates
First	3,132	Nil
Next	840	5%
Next	1,200	10%
Next	33,720	17.5%
Next	81,108	25%
Exceeding	120,000	35%



## Non-Residents

The tax rate applicable to non-resident individuals has been increased from a flat rate of twenty percent (20%) to twenty-five percent (25%) of the chargeable income for a year of assessment.

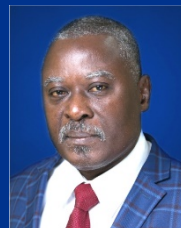
- an employee or official of the Ghana government on posting abroad;
- a citizen who is temporarily absent from Ghana for not more than three hundred and sixty-five (365) continuous days (where the individual has a permanent home in Ghana).

## Note

An individual is deemed resident for a year of assessment if that individual is:

- a citizen of Ghana (other than one with a permanent residence outside Ghana and lives in that home for the whole year of assessment);
- present in Ghana for a period, or periods amounting in total to one hundred and eighty-three (183) days or more in any twelve (12)-month period that commences or ends during the year of assessment;

If you have any questions please contact



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