

## COVID-19 HEALTH RECOVERY LEVY BILL, 2021

### MEMORANDUM

The object of the Bill is to introduce a COVID-19 Health Recovery Levy on the supply of goods and services in the country and imports of goods and services to the country to raise revenue to support Covid-19 expenditures and for related matters.

Government in 2020 had to inject millions of cedis into the health sector and undertake other social interventions to address the Coronavirus Disease (COVID-19) pandemic. These social interventions included the provision of personal protective equipment, procurement of additional health facilities, motivation of frontline staff, provision of stimulus packages, supportive revenue measures and provision of free electricity and water to the populace.

In 2021, further interventions include the procurement of vaccines for free distribution to the populace and provision of additional health facilities and revenue measures to support the more vulnerable in society.

Government is introducing the COVID -19 Health Recovery Levy as part of a package to raise funds for carrying out these interventions. The levy will be one percent of the value of the supply of goods and services made in the country other than exempt goods and services and imports of goods and services other than exempt imports. Persons who charge the Value Added Tax flat rate are to charge the levy on the supply of goods and services in the country and imports of goods and services to the country.

The estimated revenue for 2021 is one billion four hundred and sixty-six million cedis. The levy is subject to review by the Minister.

*Clause 1* imposes the COVID-19 Health Recovery Levy, chargeable on the supply of goods or services made in the country other than exempt goods or services and on imports of goods or import of services to the country other than exempt imports.

Under the clause, persons who charge the Value Added Tax flat rate are required to charge the levy on the supply of goods or services. The rate of the levy is one percent to be calculated on the value of the taxable supply of the goods or services or on the value of the imports.

*Clause 2* exempts a supply in respect of any of the matters set out in the First Schedule to the Value Added Tax Act, 2013 (Act 870).

Clause 3 classifies a supply in respect of any of the matters set out in the Second Schedule to Act 870 as zero-rated as regards the COVID -19 Health Recovery Levy imposed under clause 1.

Clause 4 provides relief from the payment of the COVID-19 Health Recovery Levy to individuals and organisations and in respect of matters specified in the Third Schedule to Act 870.

Clause 5 deals with the collection and the administration of the COVID-19 Health Recovery Levy. The clause mandates the Commissioner-General of the Ghana Revenue Authority to collect the levy and pay the levy into the COVID-19 Health Recovery Levy sub account of the Consolidated Fund. The clause also applies Act 870 to the Bill with respect to the collection of the COVID-19 Health Recovery Levy.

Clause 6 provides for the power of the Minister to make Regulations whilst clause 7 deals with interpretation and defines terms used in the Bill.



(Esei Kyei-Mensah-Bonsu)  
Minister responsible for Finance

Date: MARCH 25, 2021

# COVID-19 HEALTH RECOVERY LEVY BILL, 2021

## ARRANGEMENT OF SECTIONS

### *Section*

1. Imposition of levy
2. Exempt supply of goods and services
3. Zero-rated supply of goods and services
4. Relief from levy
5. Collection and administration of the levy
6. Regulations
7. Interpretation

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**A  
BILL  
ENTITLED**

**COVID-19 HEALTH RECOVERY LEVY ACT, 2021**

**AN ACT** to impose a special levy to be known as the COVID-19 Health Recovery Levy on the supply of goods and services and imports to raise revenue to support COVID-19 expenditures and to provide for related matters.

PASSED by Parliament and assented to by the President:

**Imposition of levy**

1. (1) There is imposed by this Act a COVID-19 Health Recovery Levy on the
  - (a) supply of goods or services made in the country other than exempt goods or services; and
  - (b) import of goods or import of services the country other than exempt imports.
- (2) The time of supply is the same as provided in the Value Added Tax Act, 2013 (Act 870).
- (3) A person who charges the Value Added Tax flat rate shall also charge the levy on the supply of goods or services.
- (4) Except as otherwise provided in this Act, the rate of the levy is one percent and is calculated on the value of the taxable supply of the goods or services or on the value of the imports.
- (5) The Levy is subject to review by the Minister.

**Exempt supply of goods and services**

2. A supply in respect of any of the matters set out in the First Schedule to the Value Added Tax Act, 2013 (Act 870) is exempt from the levy imposed under section 1.

### **Zero-rated supply of goods and services**

3. A supply in respect of any of the matters set out in the Second Schedule of the Value Added Tax Act, 2013 (Act 870) is zero-rated as regards the levy imposed under section 1.

### **Relief from levy**

4. There is granted by this Act, relief from the payment of the levy to the individuals, organisations and in respect of the matters specified in the Third Schedule to the Value Added Tax Act, 2013 (Act 870).

### **Collection and administration of the levy**

5. (1) The Commissioner-General is responsible for the collection of the levy except as otherwise provided in this Act.

(2) The Revenue Administration Act, 2016 (Act 915) shall govern the administration of the levy.

(3) The Value Added Tax Act, 2013 (Act 870) applies to this Act with the necessary modifications with respect to the collection of the levy.

(4) The levy is not subject to an input tax deduction.

(5) The Commissioner-General shall pay money collected as levy into the COVID-19 Health Recovery Levy sub-account of the Consolidated Fund created for that purpose.

### **Regulations**

6. The Minister may, by legislative instrument, make Regulations to provide for the efficient and effective implementation of this Act.

### **Interpretation**

7. In this Act, unless the context otherwise requires,

"levy" means COVID-19 Health Recovery Levy; and

"Minister" means the Minister responsible for Finance.