



# Tax Justice Coalition - Ghana

## Tax Justice Coalition - Ghana Press Release

### **Mobilising Tax Revenues for National Development and Poverty Reduction**

The Tax Justice Coalition Ghana, an umbrella of CSOs and individuals advocating for fairer and more just tax systems and policies as well as more efficient and effective utilization of tax revenues, wishes to express its concerns about a number of happenings in the country. The Coalition notes with concern that the government has continuously focused its revenue mobilization efforts on consumer-based indirect taxes without regard to their negative impact on the livelihoods of the citizens as seen in the fuel price hikes currently being experienced. The Coalition has demanded on several occasions that the country focuses more on direct (income) taxes because they are more progressive than indirect taxes to no avail. Ghana has also not adequately exploited revenues from the natural resource sectors. This is the reason why the Coalition has been advocating for the pending Tax Exemptions Bill that has been unduly delayed. The President's statement that **"Y3 ti sika ho neensu akomu di yen" (We are sitting on money and yet we are hungry)** cannot be explained by any other factor than the fact that we have failed to manage our resources (tax revenues) efficiently and for the benefit of the majority of Ghanaians who want to feel the economic power in their pockets as a sign of national development. The SDGs Ghana has signed onto cannot be achieved by 2030 if we fail to review how we manage our God-given riches and handle them better. The high inflation rate, fuelled by the rising fuel prices, high food prices, and high cost of fertilizers and rents, among others, and the introduction of the E-levy are all overburdening the Ghanaian citizen. Moreover, businesses are folding up due to high production costs. The Ghana Water Company Limited (GWCL) is now asking for a 300% increase in its tariffs while the ECG is demanding a 148% increase. These increases, if granted, will make life unbearable for many Ghanaians.

These challenges are progressively widening the inequality and poverty gap in the country, in particular, the poor and marginalized in society, including pensioners some of whom have spent their entire working lives serving this country, are finding it more and more difficult to survive on their meagre incomes

The situation in the country is so dire that it requires that "each and every one of us, irrespective of our political affiliations, unite, join hands, stand shoulder to shoulder, and work hard to place Ghana where she deserves to be" (H. E Nana Addo Dankwa Akufo-Addo, March 2021-State of the Nations Address).

In view of these challenges, the Tax justice Coalition Ghana recommends that;

1. The government and the GRA focus more on the progressive direct taxes and pursues persons and businesses that are earning incomes but are not on the income tax radar to bring them into the tax net;
2. Both the government and Parliament act speedily on the Tax Exemptions Bill in order to curb the huge losses of tax revenues through the generous tax exemptions which are not even yielding the desired outcomes;



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3. The government continuously reviews and monitors the operations of our natural (extractive) resource sector in order to prevent and or curb any abuse by those in the sector with regards to revenue mobilization;
4. The President and his Finance Minister cooperate fully with Parliament in conducting an investigation into the Covid 19 funds by providing all evidence and supporting documents to aid the investigations. Many Ghanaians and even some donors are concerned about how national revenues, including donor support, were used in the name of the pandemic.
5. The President should not only account for the burgeoning wage bill at the Office of the President but also take steps to curb the unnecessary increases in the wage bill at the Presidency.
6. The government should make the mining companies, particularly the small-scale miners and galamseyers pay for all damages done to Ghana's water resources as a result of their activities while ensuring that the mine sites are restored to their original state.
7. The demands by the GWCL and the ECG are partly to finance their inefficiencies and failure to effectively address the weaknesses of their systems and to go after consumers for tariffs at the current rates. This requires that a performance audit be conducted on the various aspects of the operations of these utility providers and curb any inefficiencies and abuses

**We submit these suggestions in the national interest and hope that the President and his government will consider them in that light and act on those that worth pursuing.**

**For further clarifications and questions, please, contact the Acting Coordinator, Nii Addo on the telephone number 233260704666 or e-mail: [info@tjcghana.org](mailto:info@tjcghana.org) [tjcghana@gmail.com](mailto:tjcghana@gmail.com).**