

# **Non Tax Revenue UNIT OF THE MINISTRY OF FINANCE AND ECONOMIC PLANNING**

## **1. WHAT IS NTR**

NTR, which means Non Tax Revenue are all revenues other than tax revenue accruing to Government through the delivery of services by Ministries, Departments and Agencies (MDAs) from their operations, either through the use of Government assets/facilities and or through the enforcement of regulation.

All other funds stipulated by law or regulation to be paid annually or periodically to Government are also Non-Tax Revenue. NTR also includes Internally Generated Funds (IGFs).

## **2. BEFORE NTRU WAS SET UP HOW WAS GOVERNMENT COLLECTING REVENUE FROM NTR.**

Revenue of this nature has always been collected by government agencies on its behalf long before the formation of NTRU. The NTRU was setup as part of government policy to enhance the mobilization of domestic resources with the following objectives

- i. To review the existing legal and regulatory framework relating to NTR and to advice government on strategic initiatives to enhance the collection, accounting and reporting of non-tax revenue;
- ii. Facilitate and coordinate the planning and preparation of NTR budget estimates annually;
- iii. Facilitate the collection, accounting and reporting of NTR on a monthly basis and to take steps to assist in the removal of all bottlenecks encountered in the processes;
- iv. Initiate policies to stimulate the enhance collection of NTR and increase the share of NTR as a percentage of GDP; and
- v. Undertake any other assignment relating to NTR that may from time to time be determined by the Minister of Finance and Economic Planning.

## **3. HOW DOES IT BENEFIT THE GOVERNMENT/ WHAT ARE THE BENEFITS**

NTR contribution to the consolidated fund enables the Government to fund some significant activities and projects in our Country without relying solely on

Tax Revenue and Grants from developing partners and donors. NTR also enables the government to recover cost.

#### **4. WHAT ARE THE VARIOUS FORMS**

The various forms of NTR include:

- a. Fines, Penalties and Forfeitures.
- b. Sale of goods and services including all goods and services provided by MDAs using Government assets and/or facilities.
- c. Rent of Government lands, buildings and houses.
- d. Fees and charges.
- e. Licenses.
- f. Income on investment – Interest on loans and Dividends.
- g. Miscellaneous including gains on foreign exchange rate.

#### **5. WHAT ARE THE METHODS OF COLLECTING THE REVENUE**

- a. Through the issuance of GCR to the public in the case of fines, penalties, forfeitures, sale of goods and services, fees and charges, licenses etc.
- b. Through deductions at source in the case of rent of Government lands, buildings and houses.
- c. Through payment of Dividends by State Owned Enterprises/Joint Venture Companies (SOEs/JVCs)

#### **6. WHICH ORGANISATIONS AND AGENCIES FALL WITHIN NTR ACTIVITIES**

All the Ministries, Departments and Agencies (MDAs) that subsist on Government of Ghana budget, Municipal, Metropolitan and District Assemblies (MMDAs) collect and all other government agencies which in the course of execution of their legal functions generate funds. These Funds are called Internally Generated Funds (IGFs) which are also considered NTR.

#### **7. HOW MUCH HAS GOVERNMENT COLLECTED SINCE SETTING UP NTRU**

Total Revenue collection so far since 2002 is detailed below into lodgment and retention.

<b>LODGMET</b>	<b>RETENTION</b>	<b>TOTAL COLLECTION</b>
4,559.4 billion	5,230.6 billion	9,790.0 billion

## **8. ANY SET BACKS**

- a. Inadequate logistical support
- b. poor accounting procedures used by MDAs
- a. Non compliance with the provisions of the Financial Administration Act (FAA) and Financial Administration Regulation (FAR)

## **9. WAY FORWARD**

- a. Improvements in the collection, accounting and reporting of NTR/IGFs.
- b. Improve monitoring of NTR generating MDAs in the Regions and Districts.
- c. Educating MDAs to improve compliance with provisions of the FAA and FAR.
- d. Plugging of leakages etc
- e. Policy initiatives to create new revenue generating activities
- f. Improvement in quality of services.