



MINISTRY
OF
FINANCE

2024 TAX EXPENDITURE REPORT AND ESTIMATES FOR 2026-2029

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ABBREVIATIONS

ECOWAS Economic Community of West African States

GIPC Ghana Investment Promotion Centre

GITMIS Ghana Integrated Tax Management System

GNPC Ghana National Petroleum Company

GRA Ghana Revenue Authority

GST Goods and Service Tax

HCTCS Harmonized Commodity and Tariff Code Schedule

ICUMS Integrated Customs Management Systems

TE Tax Expenditure

VAT Value Added Tax

VCFC Venture Capital Finance Company

VCTF Venture Capital Trust Fund



EXECUTIVE SUMMARY

This report presents a comprehensive overview of Tax Expenditures (TEs) for the Fiscal Year 2024, serving as an essential resource for the analysis and development of our tax policy. TEs play a significant role in our nation's capacity to domestic revenue, underscoring the need for meticulous monitoring and evaluation. Their potential to undermine transparency and create distortions the tax systems necessitate consistent and constant oversight.

TEs refer to the estimated revenue losses incurred by the government's due to the provision of tax concessions or preferences directed towards specific classes of taxpayers or activities. These tax expenditures include various forms of fiscal relief, including but not limited to exemptions, tax credits, reduced tax rates, deductions and abatements.

For analysis, Tax Expenditures are categorised into three broad areas: import exemptions; domestic indirect TEs; and domestic direct TEs.

In 2024, the total TEs amounted to GH¢4,804.37 million, reflecting a deviation of GH¢440.94 million from the initial projection of GH¢5,245.31 million. This variance can largely be due to the stringent enforcement of the Exemptions Act, 2022 (Act 1083).

The distribution of the TEs across categories is as follows: Import Exemptions amounting to GH¢2,506.17 million (equivalent to 51.16 percent of the total), Domestic Indirect TEs reached GH¢1,498.37 million (representing 31.19 percent), and Domestic Direct TEs constituted GH¢799.82 million (representing 16.65 percent) .

The deviation of the outturn to projections of Domestic Direct and Indirect TE was primarily driven by an increase in the number of beneficiaries reporting within sector such as agribusiness, and export, location incentives, high chargeable incomes declarations by taxpayers on location incentives, the extension of TEs for zero-rated sales (specifically textiles and automobiles), and a reduction in refund applications in 2024.



1.0. INTRODUCTION

1.1. Background

The core function of any tax system is to raise the revenue required to fund the sustainable development of a nation.

Tax Expenditures (TEs) are provided to achieve public policy objectives, including the enhancement of Foreign Direct Investment inflows, job creation and the promotion of growth in sectors that are deemed as critical to national interests. Tax expenditures encompass various financial mechanisms, including but not limited to:

- i. Exemptions;
- ii. Tax credits;
- iii. Tax reductions;
- iv. Reduced rates;
- v. Deductions, and
- vi. Abatements.

In the context of Ghanaian tax law, Import Exemptions are categorised under TE . According to Section 3 (1) of the *Exemptions Act, 2022 (Act 1083)* an exemption is defined as:

- a) a waiver or variation of a tax, levy, rate, duty, fee, or charge provided for under an enactment, or
- b) a variation of the timing of the payment of a tax, levy, rate, duty, fee, or charge which results in a reduction in the effective liability of the taxpayer.

This framework is designed to create a conducive environment for investment and growth, aligning tax policy with broader economic objectives.

1.2. The Legal Framework of Tax Expenditures in Ghana

The legal framework for tax expenditures in Ghana is established in Article 174 of the *1992 Constitution of the Republic of Ghana, and further elaborated upon through the Exemptions Act, 2022 (Act 1083)*, along with other relevant legislations. The main objectives of the *Exemptions Act* include to:

- a) provide for an exemptions regime and the scope of exemptions;
- b) set criteria for exemptions;
- c) provide for the administration of exemptions; and
- d) provide for monitoring, evaluation, reporting and enforcement of exemptions.

In accordance with Section 21 (5) (e) (viii) of the *Public Financial Management Act, 2016 Act 921* and Section 5 (5) (b) of the *Exemptions Act, 2022 (Act 1083)* the Minister for Finance is tasked with the responsibility of reporting on tax expenditures to Parliament as part of the Annual Budget Statement.

To enable the Minister deliver on this mandate, the Commissioner-General of the Ghana Revenue Authority (GRA) is required under Section 64 of the *Revenue Administration Act, 2016 (Act 915)* to provide the Minister with a quarterly report detailing the total tax reduction amounts granted to, or claimed by, taxpayers.



2.0. THE OBJECTIVE OF TAX EXPENDITURE REPORTING

The Government of Ghana uses tax expenditures as a fiscal tool to provide financial support and benefits to a range of entities, including public institutions, business institutions, international corporations (through treaties, agreements, or conventions), non-governmental organisations, and individual consignees.

The main objective of this report is to enhance transparency and accountability by providing policymakers and the public with insights into the progress and effectiveness of the TE regime, as well as detailing the processes involved in TE administration (see Box 1).

3.0. CONCEPTUAL FRAMEWORK & EVALUATION METHODOLOGY

3.1. Methodology

Three methodologies are used for estimating TEs: the Revenue Forgone Approach, the Revenue Gain Approach, and the Outlay Equivalent Approach. In Ghana, the Revenue Forgone Method (RFM) is used due to its simplicity and adaptability. This method is recognised as the most widely used approach for estimating tax expenditures and aligns with the *ECOWAS Directive C/DIR.4/07/23*, which sets out the modalities for assessing TEs in ECOWAS Member States.

The RFM operates by assessing the extent to which specific provisions in the Laws or Acts reduce the State's estimated tax revenue.

The RFM estimates the difference between the 'benchmark' or 'reference' tax system, that is, the tax structure that would apply if there were no special provisions, and what tax is payable after provisions that deviate from the benchmark as a result of specific provisions in the legislation or discretion exercised pursuant to Article 174(2) of the 1992 Constitution.

That is, Tax Expenditure = (Benchmark Tax Liability) - (Actual Tax Liability)

This methodology enables policymakers to understand the costs of TEs, compare their costs with other direct government spending, and assess whether TEs are achieving their intended goals.

3.2. Data Collection

Type	Source of data
Domestic TE	extracted from the Ghana Integrated Tax Management Information System (GITMIS) and other returns
Import TE data	extracted from the Integrated Customs Management Systems (ICUMS)



3.3. Tax Expenditure categorisation

Tax Expenditure is categorised under three (3) broad headings as follows:

1	Import TE (Import Exemptions)
2	Domestic TE (Indirect)
3	Domestic TE (Direct)

3.3.1. Domestic Direct TE

Agriculture (cash crops, tree crops, animal rearing)

Agriculture-Processing

Export

Free Zones

Hotel

Location Incentive

Mining

Rural Banks

Waste Processing

Young Entrepreneurs

3.3.2. Domestic Indirect TE

Domestic Refunds (Post Paid)

Excise (Sliding Scale)

Textiles (Domestic Zero Rated)

Automobile (Domestic Zero Rated)

3.3.3. Import TE

AfCFTA

Auto Policy

ECOWAS

EU - GEPA

General Exemptions

GNPC & Upstream Operators

Government & Privileged Persons & Organisations

Mining Companies

Projects & Programmes

Industrial Exemptions

Members of Parliament & Council of State

Security Agencies

Technical Assistance Schemes



4.0. TAX EXPENDITURE PERFORMANCE FOR 2024

Tax Expenditure outturn for 2024 amounted to GH¢4,804.37 million, compared to the projected GH¢5,245.31 million, a deviation of GH¢440.94 million.

The share of Import TE (Import exemptions), Domestic TE (Indirect) and Domestic TE (Direct) was GH¢2,506.17 million (51.16 percent), GH¢1,498.37 million (31.19 percent), and GH¢799.82 million (16.65 percent), respectively.

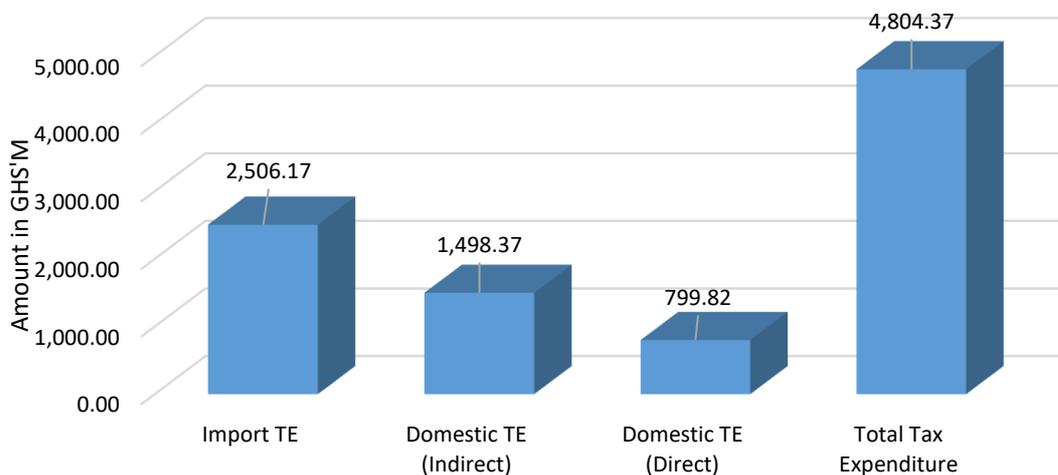
The 2024 TE amount (GH¢4,618.85 million) was higher than the 2023 amount.

Table 1: Tax Expenditure, 2024

	Outturn (GH¢'M)	Projection (GH¢'M)	Deviation (GH¢'M)
Import TE	2,506.17	3,910.61	-1,404.43
Domestic TE (Indirect)	1,498.37	993.99	504.38
Domestic TE (Direct)	340.71	340.71	459.11
Total TE	4,804.37	5,245.31	-440.94

Source: MoF/GRA computation

Figure 1: Tax Expenditure, 2024



Source: MoF/GRA computation



4.1. TE Ratios

4.1.1. TE to Total Revenue

Table 2: Tax Expenditure to Total Revenue ratio, 2024

Description	Amount (USD m)	Amount (GH¢ m)	TE to TR Ratio
TE	326.99	4,804.37	3.18%
<i>o/w TE due to exemption</i>	197.59	2,903.12	1.92%
<i>o/w TE due to reduced rate</i>	129.40	1,901.25	1.26%
Import TE	170.57	2,506.17	1.66%
<i>o/w Import TE due to exemption</i>	167.81	2,465.65	1.63%
<i>o/w Import TE due to reduced rate</i>	2.76	40.52	0.03%
Domestic TE	156.42	2,298.19	1.52%
<i>o/w Domestic TE due to exemption</i>	29.77	437.46	0.29%
<i>o/w Domestic TE due to reduced rate</i>	126.64	1,860.73	1.23%
Revenue	10,287.76	151,155.01	
TE	326.99	4,804.37	
TE as a percent of Revenue			3.18%
Import Revenue	3163.80	46,484.69	30.75%
Import TE	170.57	2,506.17	1.66%
Import TE as a percent of import revenue			4.94%
Domestic Revenue	7123.97	104,670.32	69.25%
Domestic TE	156.42	2,298.19	1.52%
Domestic TE as a percent of domestic revenue			2.20%
Total Revenue (GH¢)		151,155.01	
Exchange rate @ 14.6927			

Source: MoF/GRA computation



4.1.2. TE to GDP

Table 3: Tax Expenditure to GDP, 2024

	Amount (in GH¢ m)	Amount (in USD m)	TE to GDP Ratio
TE	4,804.37	326.99	0.41%
<i>o/w TE due to exemption</i>	2,903.12	197.59	0.25%
<i>o/w TE due to reduced rate</i>	1,901.25	129.40	0.16%
Import TE	2,506.17	170.57	0.21%
<i>o/w Import TE due to exemption</i>	2,465.65	167.81	0.21%
<i>o/w Import TE due to reduced rate</i>	40.52	2.76	0.00%
Domestic TE	2,298.19	156.42	0.20%
<i>o/w Domestic TE due to exemption</i>	437.46	29.77	0.04%
<i>o/w Domestic TE due to reduced rate</i>	1,860.73	126.64	0.16%
Nominal GDP		1,176,219.90	
Exchange rate @ 14.6927			

Source: MoF/GRA computation

4.2. Analysis of Import TE

The analysis of the data indicates that the Import Exemptions for 2024 amounted to GH¢2,506.17 million. This reflects a decrease compared to GH¢3,470.10 million in 2023 and GH¢3,545.33 million in 2022. The major contributors to the import TE for the reporting period included Mining Companies, General exemptions, the Ghana National Petroleum Corporation (GNPC), Upstream Oil Operators, ECOWAS exemptions, Security Agencies exemptions, as well as Government, Privileged Persons and Organisations. See Table 4 for a detailed breakdown.

Table 4: IMPORT TE BY BENEFICIARIES

	GH¢'M	Percent
Mining Companies	658.70	26.28%
General Exemptions	428.92	17.11%
G.N.P.C. & Upstream Oil Operators	296.96	11.85%
ECOWAS	267.61	10.68%
Security Agencies	260.03	10.38%
Government, privileged persons and Organisations	87.52	3.49%
Technical Assistance Scheme	51.82	2.07%
Industrial Exemptions	42.65	1.70%



EU - GEPA	40.52	1.62%
AUTO POLICY	36.79	1.47%
AfCFTA	7.38	0.29%
Members of Parliament and the Council of State	5.36	0.21%
Total	2,506.17	100.00%

Source: MoF/ICUMS data

The decrease in the reported Import TE amount was attributed to strict adherence to the Exemptions Act, 2022, and other factors. Import TE is further discussed below.

4.2.1. Import TE by beneficiaries

A. Mining Companies

In line with government policy to attract investment in the mining sector, mining companies continue to be exempt from import duties and customs taxes. These exemptions apply to plant, machinery, equipment, and accessories that are imported specifically and exclusively for mineral operations. As a result, the total exemptions granted to mining companies accounted for approximately 26.28 percent of the total import tax exemptions. For a detailed breakdown, please refer to Table 6 .

Table 5: Exemptions to mining companies

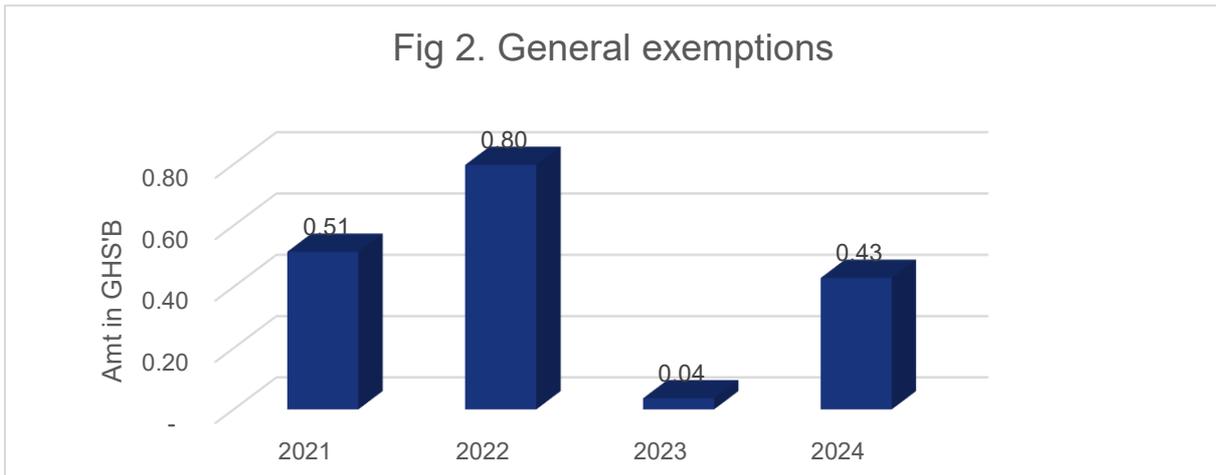
No	Name	Exemption Amount (GH¢)
1	Gold Fields Ghana Limited	189.64
2	Newmont Ghana Gold Limited	300.40
3	Newmont Golden Ridge Limited	73.19
4	Gold Fields Ghana - Tarkwa Gold Mine	68.56
5	Abosso Goldfields Limited	24.83
6	Abosso Goldfields Limited - Damang Gold Mine	1.77
7	AngloGold Ashanti (Ghana) Limited	0.31

Source: MoF/GRA

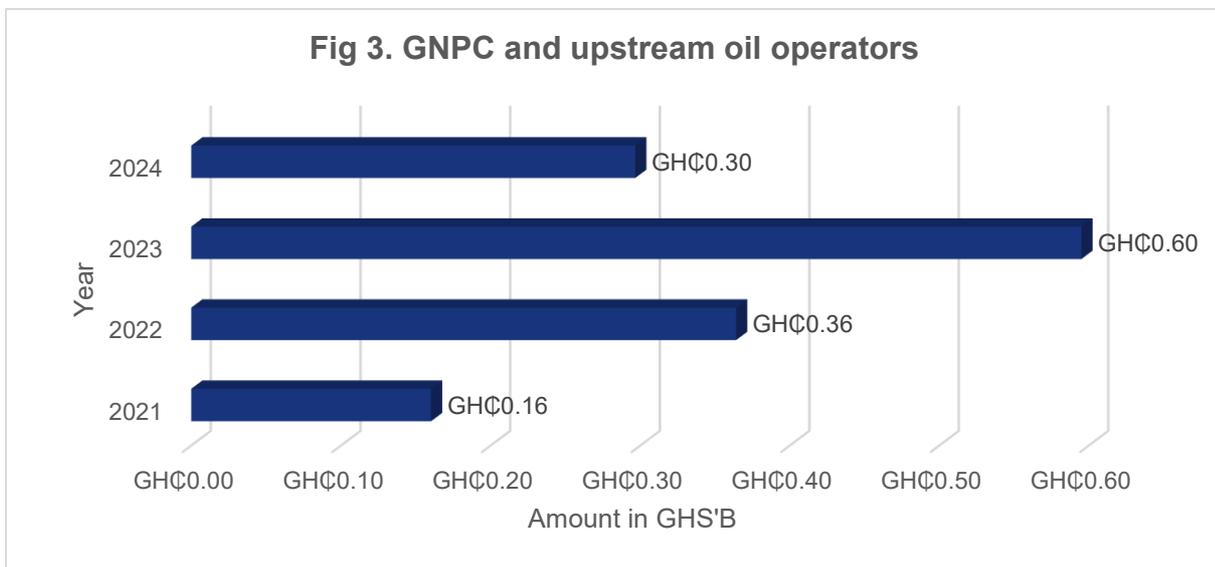
B. General Exemptions

During the reporting period, general exemptions ranked second, amounting to GH¢428.92 million, which represents 17.11 percent of total Import TE. These exemptions mainly covered miscellaneous exemptions for general goods, such as machinery and equipment, fishing gear, baggage, and personal effects.

Although this amount was higher than the figure recorded in 2023, it was lower than what was reported in 2022. Refer to Figure 2 for a visual representation.



Source: MoF/GRA computation

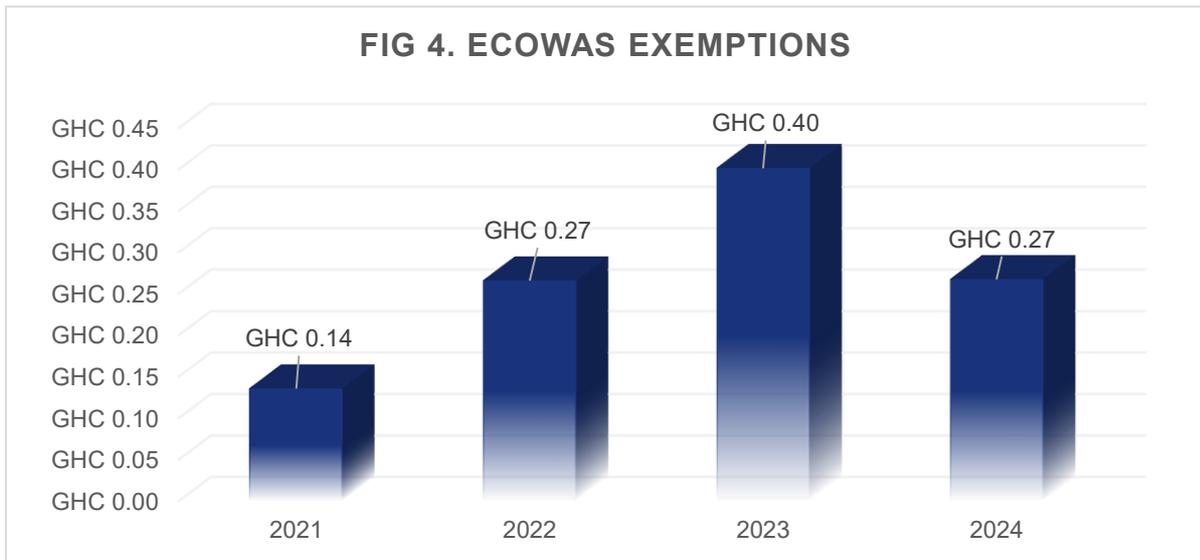


Source: MoF/GRA computation

C. Ghana National Petroleum Corporation (GNPC) and Upstream Oil Operators

The Ghana National Petroleum Corporation (GNPC) and upstream oil operators receive import duty and tax exemption under Section 2 of the Ghana National Petroleum Corporation Act, 1983 (PNDC Law 64). This exemption applies to machinery, parts, and other items necessary for upstream petroleum operations.

In 2024, GNPC and upstream oil operators utilised a total of GH¢296.96 million in exemptions, which accounted for 11.85 percent. However, this amount was lower compared to the exemptions utilised in 2023 and 2022.



Source: MoF/GRA computation

D. ECOWAS Exemptions

ECOWAS exemptions ranked fourth in total import TE. These exemptions are granted for imports from ECOWAS Member States under the ECOWAS Trade Liberalisation Scheme (ETLS). The aim of this scheme is to establish a Customs Union among all member States, focusing on the complete elimination of customs duties and taxes of equivalent effect, the removal of non-tariff barriers, and the establishment of a Common External Tariff to protect goods produced within Member States.

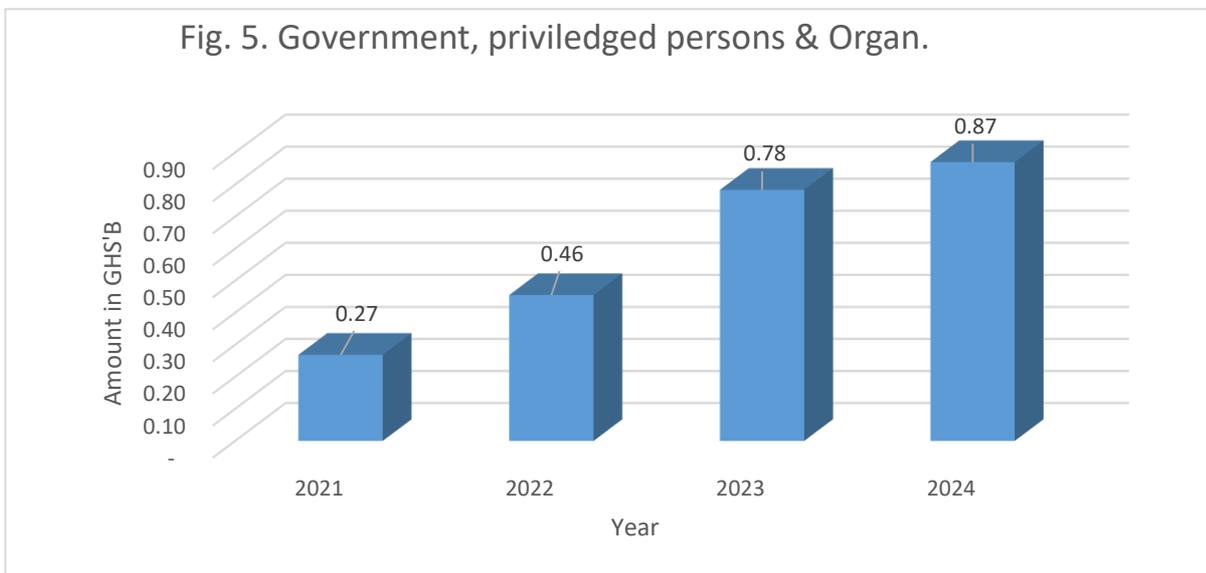
In total, the exemptions granted under the ETLS amounted to GH¢267.61 million or GH¢0.27 billion, accounting for 10.68 percent of the total Import TE. However, this amount is lower than the GH¢0.40 billion recorded in 2023. Please see Figure 4 for more details.

E. Security Agency Exemptions

Security Agency exemptions ranked fifth under the import TE. The security agencies, according to the Exemptions Act, 2022 (Act 1083), include:

- a. the Ghana Armed Forces;
- b. the Internal Intelligence Agency;
- c. the External Intelligence Agency;
- d. the Police Service;
- e. the Prisons Service;
- f. the Ghana National Fire Service;
- g. the Immigration Service; and
- h. the Customs Division of the Ghana Revenue Authority.

Items bought by the Security Agencies are exempt from customs duties, taxes, and any other fees, rates, levies and charges on articles, arms, ammunition, uniforms, accoutrements and equipment, including vehicles and musical instruments. This exemption is certified by the relevant sector Minister and approved by the Minister for Finance. For the 2024 reporting period, Security Agencies utilised a total of GH¢260.3 million, which accounts for 10.38 percent of their budget.



Source: MoF/GRA computation

F. Government, Privileged Persons, and Organisations

Government entities, Privileged Persons, and Organisations ranked sixth in terms of import exemptions totaling GH¢87.52 million, which accounts for 3.49 percent of the overall exemptions. This represents an increase compared to previous years, with recorded amounts of GH¢78 million in 2023 and GH¢46 million in 2022. The 2024 figure shows growth relative to these prior years. See Figure 5 for further details.

G. Other Exemptions

The remaining exemptions were granted to activities and initiatives related to Technical Assistance Schemes, Industrial Exemptions, EU – GEPA, Auto Policy and AfCFTA. This category included Members of Parliament and the Council of State, representing about 10.89 percent.

H. Import TE by Beneficiaries

Table 7 provides the breakdown of Import TE by beneficiaries, including public institutions, business institutions, International cooperation (through treaties, agreements/ conventions), nongovernmental organisations, and individual consignees.

According to the table, 60.95 percent of the import TE was allocated to business institutions, while public institutions received 35.60 percent. International cooperation arrangements

(through treaties, agreements/conventions) contributed 2.07 percent, with 1.23 percent and 0.16 percent to individuals and non-governmental organisations, respectively.

Table 7: Breakdown by Beneficiaries

2024			
Beneficiaries	USD M	GH¢'M	Percent
Public institutions	60.72	892.15	35.60%
Business institutions	103.96	1,527.49	60.95%
International cooperation (through treaties, agreements/conventions)	3.53	51.84	2.07%
Nongovernmental organizations	0.27	3.95	0.16%
Individual consignees	2.09	30.75	1.23%
Total Import TE	170.57	2,506.17	100.00%

Exchange rate@14.6927

Source: MoF computation

I. Import TE by objectives

Table 8 provides the breakdown or distribution of Import TE by objectives in relation to social, economic, and political objectives.

Table 8: Import TE by objectives

2024			
Objectives	GH¢' M	USD M	Percent
Social (income distribution)	896.10	60.99	35.76%
Economic- (reducing general business cost)	1,558.24	106.06	62.18%
Political (commitment under international conventions)	51.84	3.53	2.07%
Total Import TE	2,506.17	170.57	100.00%

Exchange rate@14.6927

Source: MoF computation

4.2.2. Domestic TE

In 2024, the total Domestic TE stood at GH¢2,298.19 million. This figure consisted of GH¢1,498.37 million for indirect TE and GH¢799.82 million for direct TE.

The domestic TE (direct) was derived by categorising expenditures, calculating tax payable at a 25% standard rate and 35% for the mining sector, and subtracting the tax payable under the various tax dispensations (i.e., $TE = \text{Standard rate} * C/I - \text{less Tax rebate}$).

In the case of domestic TE, indirect administration is administered through a relief and refund mechanism. The amount was based on project exemptions, technical assistance exemptions, domestic zero-rating and differential excise rates for manufacturers who use local raw materials in the production of excisable goods. Note that zero-rated exports and diplomatic reliefs are not considered as tax expenditure by convention.

The tax expenditure for Excise Duty is computed by taking the tax payable at the standard rate minus the tax paid using the differential rate.

The major contributors to Domestic TE were the Sliding Scale Excise Duty on the use of local raw materials for manufacturing, followed by concessions for mining by companies with mining agreements in production. See the table below for the summary of Domestic TE for 2024 and 2023.

Table 9: TE 2023-2024

<i>Description</i>	2023	2024
	GH¢("M)	GH¢("M)
Domestic Indirect	809.49	1,498.37
Projects (domestic relief)	53.51	437.46
Domestic refunds (postpaid)	129.30	44.12
Excise (sliding scales)	405.33	615.21
Textiles (domestic zero rated)	163.84	213.34
Automobile (domestic zero rated)	57.51	188.24
Domestic Direct	264.04	799.82
Agriculture	0.70	44.39
Agriculture processing	1.66	0.04
Export	2.62	232.70
Free zone	28.89	77.62
Hotel	1.22	2.60
Loc incentive	1.45	51.24
Mining	224.85	374.00
Rural banks	2.64	1.15

Waste processing	0.00	16.08
Young Entrepreneur	0.00	0.00
Venture Capital financing activities	0.00	0.00
Ghana Stock Exchange	0.00	0.00
Covid-Relief	0.00	0.00
Total Tax Expenditure	4,618.85	4,804.37

Source: GRA

4.3. Exemption by resolution of Parliament granted in 2024

Parliament approved 2 tax waiver requests estimated at GH¢268.62 million on materials, equipment, and others per the table below:

No.	Project title	MDA	beneficiary	year of approval	exemption status-type	Exemption amounts in other currencies	Exemption amount in (GH¢)
1	Ghana Bauxite Company (GBC) Limited under section 15 (1) of the Exemptions Act, 2022 (Act 1083).	GIPC	Ghana Bauxite Company (GBC) Limited	26/07/24	Parliament	\$16,397,575	244,215,643.51
2	Supply and installation of integrated e-learning laboratories in senior high schools (Televic phase II).	Ministry of Education	Ministry of Education	26/07/24	Parliament	EUR1,517,040	24,401,588.40
	Total						268,617,231.91

Source: MoF compilation

5.0. CHALLENGES

The following challenges were identified during the annual review:

- i. exemptions linked to donor-funded projects;
- ii. granting of exemptions without sunset clauses;
- iii. exemptions awarded for foreign supply of goods and services that could be sourced locally; and
- iv. lack of complete digitisation of domestic tax revenue data

6.0. TAX EXPENDITURE FORECAST 2026-2029

Tax Expenditure forecast for 2026-2029 indicates nominal increases across the board. The nominal increase reflects the government's policy of providing tax incentives to boost domestic production through its industrial drive, the 24-hour economy, and the accelerated development programme.

The tax expenditure forecast for the 2026 fiscal year was estimated at GH¢5,745.59 million. It is expected to increase to GH¢5,992.34 million in 2027, GH¢6,209.89 million in 2028, and GH¢6,436.22 million in 2029. See the breakdown in Table 11.

For the Import TE data, the extracted data was categorised using the Customs Procedure Codes (CPCs) from ICUMS. The top four (4) major contributors to Import TE are: exemptions by resolution of Parliament; Ghana National Petroleum; upstream exploration-related activities; Government and Privileged Organisations; and General exemptions. The forecast for Import TE for the 2026 fiscal year was estimated at GH¢3,116.71 million. It is expected to increase to GH¢3,715.69 million by 2029.

Indirect TE for the 2025 fiscal year was estimated at GH¢1,514.33 million. It is expected to increase to GH¢1,546.27 million by 2029.

Direct tax expenditures for the 2026 fiscal year are estimated at GH¢1,114.55 million. It is expected to increase to GH¢ 1,174.26 million by 2029.

Table 11-TE Forecast for 2026-2029

<i>Description</i>	2026	2027	2028	2029
	GH¢("M)	GH¢("M)	GH¢("M)	GH¢("M)
Import Exemptions	3,116.71	3,312.70	3,513.24	3,715.69
G.N.P.C.& Upstream operators	658.60	700.01	742.39	785.17
Government & Privileged Persons & Organisations	379.61	403.48	427.90	452.56
General exemptions	167.44	177.97	188.75	199.62
ECOWAS exemptions	361.64	384.39	407.65	431.14
Exemptions by resolution of Parliament	1,412.47	1,501.29	1,592.17	1,683.91
EU	69.70	74.08	78.57	83.09

GADP	37.81	40.19	42.62	45.08
AfCFTA	29.44	31.29	33.19	35.10
Domestic Indirect	1,514.33	1,530.00	1,530.60	1,546.27
Projects (domestic relief)	448.72	459.72	460.27	471.28
Domestic refunds (postpaid)	44.07	44.03	44.03	43.98
Excise (sliding scales)	617.81	620.40	620.42	623.00
Textiles (domestic zero rated)	214.05	214.76	214.76	215.47
Automobile (domestic zero rated)	189.67	191.10	191.12	192.55
Domestic Direct	1,114.55	1,149.64	1,166.05	1,174.26
Agriculture	84.36	92.70	97.47	100.20
Agriculture processing	0.04	0.04	0.04	0.04
Export	328.96	336.20	338.49	339.20
Free zone	142.32	154.60	161.25	164.84
Hotel	5.01	5.53	5.83	6.01
Loc incentive	84.53	89.16	91.23	92.16
Mining	448.12	449.94	450.24	450.30
Rural banks	1.05	1.05	1.05	1.05
Waste processing	20.17	20.43	20.46	20.46
Young Entrepreneur	0.00	0.00	0.00	0.00
Total Tax Expenditure	5,745.59	5,992.34	6,209.89	6,436.22

7.0. CONCLUSION

The 2024 TE (GH¢4,804.37 million) witnessed a relative reduction compared to the projection of GH¢5,245.31 million and to the 2023 and 2022 figures. This was largely due to the strict adherence to the Exemptions Act, 2022.

The Ministry would continue to monitor fiscal space in relation to TEs to ensure there is no threat to the government's revenue mobilisation efforts and growth. Every effort to reduce the ever-increasing levels is critical for economic growth and development.

8.0. APPENDICES

Appendix 1: Tax Expenditure 2021-2024

<i>Description</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
	GH¢("M)	GH¢("M)	GH¢("M)	GH¢("M)
Import Exemptions	2,463.85	3,470.10	3,545.33	2,506.17
G.N.P.C.& Upstream operators	160.23	364.12	595.09	296.96
Govt privileged persons and Organisations	268.59	455.15	783.41	580.30
GIPC	45.70	88.27	1.18	0.00
General Exemptions	514.11	797.40	35.92	255.19
Exemptions within the ECOWAS Zone	135.72	266.06	401.76	260.41
Exemptions by resolution of Parliament	1,337.75	1,491.47	1,710.87	1,028.63
Special Permits	0.61	0.00	0.00	0.00
Others (AFCFTA, EU, GADP)	1.16	7.62	17.08	84.69
Domestic Indirect	765.10	919.18	809.49	1,498.37
Projects (domestic relief)	52.16	70.97	53.51	437.46
Domestic refunds (postpaid)	394.11	417.39	129.30	44.12
Excise (sliding scales)	220.05	258.10	405.33	615.21
Textiles (domestic zero rated)	98.78	172.72	163.84	213.34
Automobile (domestic zero rated)	0.00	0.00	57.51	188.24
Domestic Direct	273.95	415.30	264.04	799.82
Agriculture	2.09	59.33	0.70	44.39
Agro process	0.02	0.38	1.66	0.04
Export	33.63	35.19	2.62	232.70
Free zone	13.60	27.09	28.89	77.62
Hotel	0.94	1.60	1.22	2.60
Loc incentive	60.88	45.79	1.45	51.24
Mining	149.53	239.18	224.85	374.00
Rural banks	0.41	0.00	2.64	1.15
Waste processing	0.07	0.43	0.00	16.08

Young Entrepreneur	0.00	0.01	0.00	0.00
Venture Capital financing activities	2.96	0.00	0.00	0.00
Ghana Stock Exchange	4.21	6.32	0.00	0.00
Covid-Relief	5.61	0.00	0.00	0.00
Total Tax Expenditure	3,502.90	4,804.58	4,618.85	4,804.37

Box 1: Definition of Concepts

Tax administration refers to the set of institutions (including the Structure, Institution, or Body responsible in each Member State), processes, and activities undertaken by government authorities to manage and enforce the collection, assessment, and compliance with taxes. This includes policy implementation (of deductions, credits and other incentives), revenue collection, compliance and enforcement, data management, and public engagement activities. Effective tax administration is essential to ensuring that tax expenditures achieve their intended policy goals while minimising revenue loss and preventing abuse.

Tax expenditure refers to the loss of tax revenue resulting from the implementation of legislative, regulatory, and treaty provisions that deviate from a defined Tax Reference System (TRS), the standard or benchmark tax structure. These provisions are intentionally designed to achieve specific policy objectives, such as promoting social welfare, investment, or economic growth in targeted sectors.

Tax expenditures include the following:

- i. Exemptions: relief from tax liability for specified income, transactions or entities**
- ii. Tax credits: reductions in tax liability, used to incentivise specific activities**
- iii. Tax reductions: reductions in tax burden for qualifying taxpayers**
- iv. Reduced rates: lower tax rates applied to specific income or activities**
- v. Deductions: allowances that reduce taxable income, lowering tax liability**
- vi. Abatements: temporary or permanent reductions in tax obligations, granted to encourage development or compliance**

Tax incentives are targeted fiscal measures, such as exemptions, credits, reduced rates, or deferrals, intentionally made available to influence the behaviour of individuals and businesses. These measures are designed to guide, regulate, or stimulate economic activity, either by encouraging desirable activities (such as investment, innovation, or job creation) or by discouraging undesirable activities (such as tax avoidance or negative environmental impacts). Through altering the cost of specific activities through the tax system, tax incentives are powerful tools for achieving specific environmental, social or economic policy objectives.

The tax reference system refers to a benchmark or standard tax framework that applies uniformly to all taxpayers and economic transactions, with minimal discrimination. It serves as a neutral baseline against which tax expenditures and other deviations are measured. It explicitly defines, for each tax, duty, or charge, both the tax base (income, property, or transaction value subject to taxation) and the standard rate (rate applied in the absence of specific provisions or incentives).