

E-VAT Increased Revenue By 32% - GRA



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THE GHANA Revenue Authority (GRA) has said the piloting of its electronic Value Added Tax (e-VAT) invoicing system has led to an increase in revenue generation.

Addressing rumours that the state is losing billions in revenue due to the piloting of the e-VAT, the Authority clarified that the system's piloting has rather led to a 32 percent increase in revenue.

Reports of the system's flop made the rounds on Wednesday, May 8 but a statement issued by the Communications and Public Affairs Department of the Authority described the rumours as false.

The GRA said the pilot phase, which has been completed with 50 taxpayers, has been highly successful and impacted its revenue by GH¢124 million.

The GRA added that the e-VAT system is currently being piloted and will soon integrate all VAT-registered taxpayers "to enhance revenue collection, combat tax evasion, and help promote transparency in tax administration, as demonstrated by the Pilot Phase."

During the Pilot Phase, it said VAT revenue grew by over 58%, representing additional contributions in excess of GH¢384 million. Electronic VAT invoicing efficiency contributed to a revenue impact of GH¢124 million, accounting for 32% of this increase.

"For Phase 1, the initial rollout phase is currently ongoing, and is focused on onboarding large taxpayers who account for 80% of VAT contributions.

"The revised timeline for Phase 1 is April 22, 2024, to May 31, 2024. Initial results from Phase 1 onboarding have been highly encouraging, with a 175% progress

rate so far, as measured against weekly onboarding targets," the statement said.

The GRA said the second phase also targets the onboarding of medium and small taxpayers by the end of December 2024.

Regrading Phase 3, the final implementation phase targets the integration of all other VAT registered taxpayers into the e-VAT system.

"The GRA expressed confidence of the significant positive impact that the e-VAT will have on VAT contributions, and takes this opportunity to assure all stakeholders of its steadfast commitment to the comprehensive and rapid implementation of the e-VAT system," it said.

It added that the successful rollout of e-VAT is poised to enhance revenue collection, combat tax evasion, and help promote transparency in tax administration, as demonstrated by the Pilot Phase.

The GRA thanked all clients for their cooperation and partnership as "we continue to onboard them onto the e-VAT system".