

GRA simplifies tax for informal sector

By Kester Aburam Korankye

THE Ghana Revenue Authority (GRA) has launched the Modified Taxation Scheme, a simplified tax system designed for individuals working in the informal sector.

The scheme removes the complex processes of the standard tax system to make it easier for informal workers to comply with their tax obligations.

It is not a new tax, but a redesigned approach to make filing and paying taxes more practical.

The modified scheme comes with a comprehensive educational programme to increase awareness and compliance.

Present at the ceremony to launch the scheme in Accra yesterday were the Chief of Staff, Julius Debrah; the Deputy Minister of Finance, Thomas Nyarko Ampem; the acting Commissioner-General of the GRA, Anthony Kwasi Sarpong, and members of the public drawn from the informal sector.

The scheme is for resident individuals

who earn a living through their skills, crafts or sales without a formal corporate employment contract.

They include plumbers, electricians, hairdressers, seamstresses and tailors, mechanics, air conditioner technicians, and food vendors.

The Sustained Tax Education programme, mandated by the Minister of Finance in the 2025 budget, aims to embed tax education into the national consciousness.

According to the GRA, this three-year strategic initiative will move beyond periodic campaigns to target "micro, small, medium and large corporates, schools, universities, markets, professional associations, and digital platforms."

The programme seeks to ensure that every Ghanaian understands not only their tax obligations but also their rights as taxpayers, making compliance "a natural choice rather than an obligation enforced by law."

The newly launched Modified Taxation Scheme introduces a simplified, flat-rate system for small businesses and individuals.

Mr Sarpong announced that

"individuals and enterprises whose incomes do not exceed GH¢500,000 will pay a flat rate of three per cent."

For instance, he said, an individual earning GH¢200,000 annually would pay GH¢6,000 in tax, while those earning GH¢25,000 would pay GH¢750.

Registration and payments will be facilitated through a dedicated mobile application.

The GRA projects significant revenue potential from the new scheme, estimating a potential tax population of about eight million in this segment.

"We plan to target and rope in about two million potential taxpayers into the tax net for the next three years with revenue potential exceeding GH¢10 billion as Phase I," the Commissioner-General stated.

Mr Sarpong further revealed that "Phase II will move us to 6 million taxpayers with revenue potential over GH¢30 billion," highlighting the substantial impact this initiative is expected to have on domestic revenue mobilisation.

The Commissioner-General said that the initiatives aligned with President John Dramani Mahama's reset agenda to

build a tax administration that focused on "Ghana First."

Mr Sarpong called on every Ghanaian to join hands with the GRA and urged citizens to register for their Tax Identification Number (TIN) if they have not already done so, educate themselves and others about tax laws and the benefits of compliance, fulfil tax obligations promptly and encourage others to do the same.

He described payment of tax as "a bridge to better schools, better health care, better roads, and a better future for all," and not a burden.

Categories

The Modified Taxation Scheme has three categories to suit different business sizes. These are Presumptive Tax Based on Instalment (PTI) for businesses with average annual sales not exceeding GH¢20,000; Presumptive Tax Based on Turnover (PTT); and Modified Cash Basis (MCB).

Professionals with formal qualifications, such as lawyers, engineers and accountants; owners of multiple businesses or business outlets; partners in a registered business partnership, and individuals who choose to opt out voluntarily must register under the Modified Cash Basis.

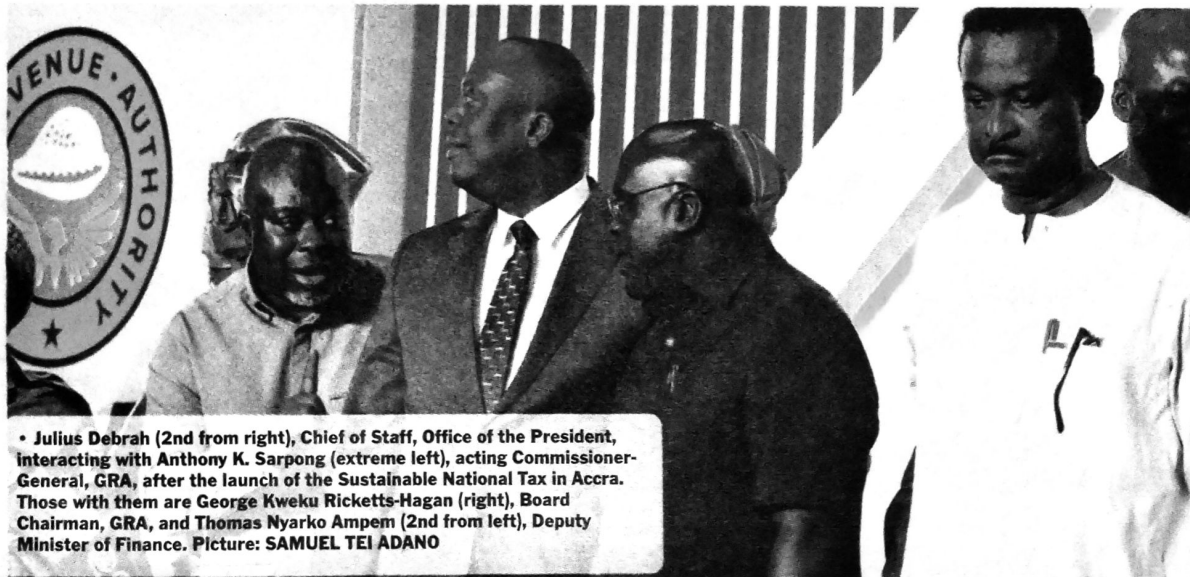
Registration requires a Ghana Card, Ghana Post GPS Digital Address, phone number, basic sales information, and a business registration or permit if available.

Individuals can register by downloading the MTS Taxpayer App from the App Store or Google Play Store, visiting the nearest GRA Office, through a GRA field agent or via their trade association or union.

Taxes can also be paid by dialling the USSD code *880# on a mobile phone or directly using a Mobile Money wallet within the MTS Taxpayer's App.

At the end of the year, individuals are to fill in a form in the MTS Taxpayer's App with details of their actual sales for the period.

Filing returns helps the GRA make a fair assessment of the tax situation and ensure the individual is in good standing.



• Julius Debrah (2nd from right), Chief of Staff, Office of the President, interacting with Anthony K. Sarpong (extreme left), acting Commissioner-General, GRA, after the launch of the Sustainable National Tax in Accra. Those with them are George Kwaku Ricketts-Hagan (right), Board Chairman, GRA, and Thomas Nyarko Ampem (2nd from left), Deputy Minister of Finance. Picture: SAMUEL TEI ADANO