

# Govt Drops 15% Killer ECG VAT

BY Ernest Kofi Adu

**THE GOVERNMENT** has abandoned the previously approved policy of levying a 15% Value Added Tax (VAT) on electricity, DAILY GUIDE has gathered.

The decision, made at a cabinet meeting last Friday, follows appeals from the Trades Union Congress (TUC) and others for the government to reconsider the policy.

Similarly, the government is considering dropping the Emission Levy, which imposes varying amounts on automobiles based on their engine capacity.

According to the policy decision, motorbikes and tricycles must pay GH¢75 annually, while motor vehicles, buses, and coaches up to 3000 cubic centimetres are to pay GH¢150 annually.

Also, motor vehicles, buses, and coaches above 3000 cubic centimetres, cargo trucks, and articulated trucks are required to pay GH¢300 per annum.

However, the cabinet subcommittee has been entrusted with looking into alternate revenue streams for the government in accordance with the International Monetary Fund's

(IMF) conditions.

The VAT (Amendment) Act 2023 and the Emissions Levy Act, 2023 (Act 1112) were passed by Parliament as part of this year's budget. The Emissions Levy Act of 2023 (Act 1112) imposes a fee on carbon dioxide equivalent emissions from internal combustion engine vehicles.

## TUC Strike

Meanwhile, the TUC is preparing for a nationwide demonstration following the expiration of a seven-day deadline for the government to withdraw the VAT on electricity consumed above the lifeline.

Secretary General of TUC, Dr. Yaw Baah, earlier stated at a press conference that Ghanaian workers opposed the 15% VAT on electricity due to its adverse impact on their livelihoods.

He led Organised Labour to a meeting on February 2, 2024, where they planned to hold a nationwide demonstration on Tuesday, February 13, 2024, to pressure the government to revoke the directive to ECG and NEDCO to enforce the 15% VAT on residential electricity consumption.

"In view of point one, notice of the intended demonstration will go to

the IGP and all the 16 regional commands on Monday, February 5, 2024.

"All members of Organised Labour groupings in both the public and private sectors are to put on red bands at work from Mon-

day, February 5, 2024 to Monday, February 12, 2024," according to a statement issued by Organised Labour.

"Directives on the route of the demonstrations and all other communications

will be duly communicated by the leadership of Organised Labour.

"Organised Labour groups are expected to communicate in writing to their Employers on the actions to be taken. If the

directive on the VAT is not withdrawn after the demonstration, Organised Labour will meet and take a decision on when to initiate a nationwide strike again," the statement indicated further.

