



# OFFICE OF PARLIAMENT

Hon. Francis-Xavier Kojo Sosu (Esq)  
MP, Madina Constituency



Office of Parliament  
Parliament House  
Room No. F2T 02E 019  
Osu, Accra. Ghana

Your Ref.....

My Ref.....

## MEMO

**TO:** CLERK TO PARLIAMENT

**FROM:** THE HONOURABLE MEMBER FOR MADINA  
(HON. FRANCIS-XAVIER KOJO SOSU)

THE MAJORITY LEADER & HONOURABLE MEMBER  
FOR AJUMAKO ENYAN ESIAM  
(HON. CASSIEL ATO FORSON)

THE HONOURABLE MEMBER FOR BOLGATANGA  
CENTRAL (HON. ISAAC ADONGO)

THE HONOURABLE MEMBER FOR AYENSUANO  
(HON. TEDDY SAFORI ADDI)

THE HONOURABLE MEMBER FOR TAMALE NORTH  
(HON. ALHAJI ALHASSAN SAYIBU SUHYINI)

**SUBJECT:** INTRODUCTION OF PRIVATE MEMBER'S BILL TO  
AMEND THE INCOME TAX (AMENDMENT) ACT, 2023  
(ACT 1094) TO REPEAL THE WITHHOLDING TAX  
RATE ON WINNINGS FROM LOTTERY, AND PROVIDE  
FOR RELATED MATTERS.

**DATE:** 7<sup>th</sup> NOVEMBER 2024

Sir, we wish to request the Legislative Drafting Office to draft for subsequent submission to the Speaker bill to amend the Income Tax (Amendment) Act, 2023 (Act 1094) to repeal the withholding tax rate on winnings from lottery including betting, gaming and any game of chance, and provide for related matters.

Please find attached our proposal for the said Bill.

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Submitted please,

**Hon. Francis-Xavier Sosu (Esq)**  
**MP, Madina Constituency**

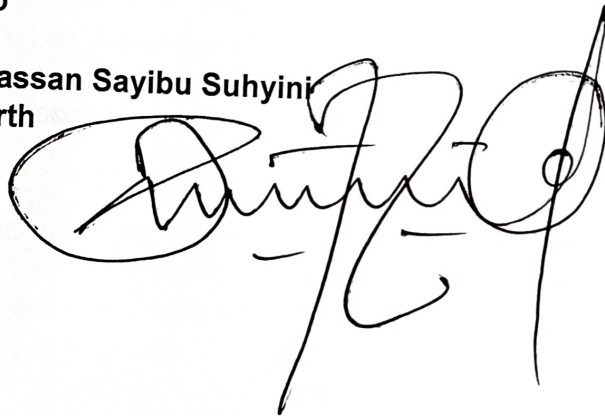
For and on behalf of

**Hon. Cassiel Ato Forson**  
**MP, Ajumako Enyan Esiam**

**Hon. Isaac Adongo**  
**MP, Bolgatanga Central**

**Hon. Teddy Safori Addi**  
**MP, Ayensuano**

**Hon. Alhaji Alhassan Sayibu Suhyini**  
**MP, Tamale North**

A handwritten signature in black ink, appearing to be 'Alhaji Alhassan Sayibu Suhyini', written in a cursive style. The signature is positioned to the right of the text for Hon. Alhaji Alhassan Sayibu Suhyini.

## **PROPOSAL TO AMEND THE INCOME TAX (AMENDMENT) ACT, 2023 (ACT 1094) TO REPEAL THE WITHHOLDING TAX RATE ON WINNINGS FROM LOTTERY, AND PROVIDE FOR RELATED MATTERS.**

The purpose of this Bill is to amend the Income Tax (Amendment) Act, 2023 (Act 1094) to repeal the withholding tax rate on winnings from lottery including betting, gaming and any game of chance, and provide for related matters.

According to (Ofosu & Kotey, 2020), sports betting behaviour has a complementary rather than a substitutionary effect on investment behaviour, as individual sports betting behaviour can be moderated by influencing one's financial circumstances.

Another study by (Adjei & Mensah, 2023) revealed that students consider sports betting as not immoral as they have a positive perception of the effect of sports betting on their moral behaviours. However, the study recommended the need for Guidance and Counselling Units on Colleges of Education campuses running programs to inform students about exaggerated claims about the advantages of sports betting and the negative effects of same considering its tendency to be addictive.

Additionally, a report by the World Bank published in June 2022 revealed that 850,000 Ghanaians have been pushed into poverty, as year on year inflation between January 2022 and December 2022 rose from 14 percent to 54 percent, the highest in over two decades, resulting in high cost of living and low standard of living. Similarly, as at June 2023, Ghana's inflation of 42.5 percent was the highest in the whole of West Africa and the third highest in Africa.

Currently, despite inflation standing at 21.5 percent, representing a 1.1 percent increase from the 20.4 percent recorded in the month of August, the cost of living of most average Ghanaians including the Youth continue to rise, as inflation for restaurants and accommodation services; alcoholic beverages; housing, water, electricity, gas and other fuels; education service; health service; and food and non-alcoholic beverages have recorded 27.9, 27.6, 26.4, 23.7, 22.3, and 22.1 percent respectively, all above the overall annual inflation rate of 21.5 percent. According to the World Bank, Ghana is ranked 6<sup>th</sup> in Africa with the highest food inflation as at July 2024. This is in addition to the current 14 percent unemployment rate, according to the Ghana Statistical Service (GSS). Furthermore, the Mo Ibrahim Foundation reports that 83 percent of Youth that enter the job market every year remain jobless, with the devastating impact of Covid-19 pushing an additional 30 million people into extreme poverty, and many more becoming more vulnerable. This is similar to report by the Africa Development Bank (AfDB) which

indicates that of Africa's 420 million youth aged 15-35, one-third are unemployed and discouraged, another third is vulnerably employed, and only one in six is in wage employment; with further forecast that 263 million young people will lack an economic stake in the system by the year, 2025.

Furthermore, despite imposition of the tax, a recent Afrobarometer survey published by the Center for Democratic Development (CDD) reveal that unemployment (41 %) is the most frequently cited problem that Ghanaians want the government to address. Again, 7 in 10 Ghanaians revealed that they or someone in their household went without a cash income at least once during the previous year, with 81 percent of Ghanaians rating government's economic performance as overwhelmingly negative.

In conclusion, the National Security Strategic Report published by the Ministry of National Security indicates that "Economic mismanagement, imbalanced allocation of resources and opportunities to identity groups, poor service delivery, systemic exclusion and marginalisation as well as deprivation could lead to citizen frustration and feeling of hopelessness which could in turn lead to a rejection of the generally accepted social norms and values, and in fact the status quo."

Thus, in view of the above, and considering the impact of the Domestic Debt Exchange Programme (DDEP), and the related exacerbation of the twin challenges of unemployment and economic hardships, as well as the seeming lack of adequate safety measures to cushion vulnerable Ghanaians against daily pressing needs; there is therefore an urgent need to introduce programmes, including tax policies and measures that seek to rescue Ghanaians in light of the harsh economic realities, reduce the cost of living, promote savings and investments, and achieve economic stability and sustainable growth, hence this Bill.

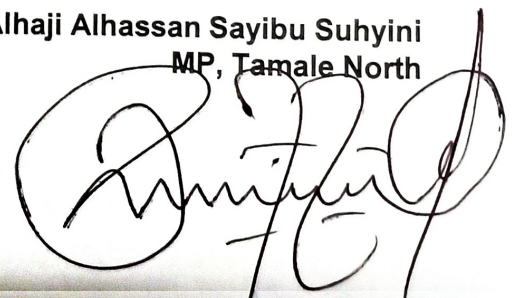
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**MP, Ayensuano Constituency**

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**MP, Tamale North**



# INCOME TAX (AMENDMENT) ACT, 2023

## ARRANGEMENT OF SECTIONS

### *Section*

1. Section 6 of Act 896 repealed
2. Section 100A of Act 896 repealed

### *SCHEDULE*

A

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BILL

ENTITLED

**INCOME TAX (AMENDMENT) ACT, 2024**

**AN ACT** to amend the Income Tax (Amendment) Act, 2023 (Act 1094) to repeal the withholding tax rate on winnings from lottery including betting, gaming and any game of chance; and provide for related matters.

Passed by Parliament and assented to by the President:

**Section 6 of Act 896 repealed**

2. The principal enactment is amended in section 6 by the exclusion after subparagraph (vi) of paragraph (a) of subsection (2), of  
“(vii) winnings from lottery.”.

**Section 100A of Act 896 repealed**

7. The principal enactment is amended by the exclusion after section 100, of  
“Division VI: Lottery Operations”

***SCHEDULE***

**Rate of tax on income from lottery operations”**

7A. (e)(x) in the case of winnings from lottery, ten percent on gross winnings at the end of each game.