

## **Utilization of Tax Reliefs among Workers in Ghana: A Case Study of University Hospital, Legon**

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### **Authors' contributions**

*This work was carried out in collaboration between both authors. Author FAO designed the study, performed the statistical analysis, wrote the protocol, and wrote the first draft of the manuscript. Author FA managed the analyses and literature searches of the study. Both authors read and approved the final manuscript.*

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### **ABSTRACT**

The study examined the reasons why public workers do not utilize Ghana's tax relief scheme and its associated challenges with the University Hospital, Legon as the case study. The mixed method approach was adopted thus using both qualitative and quantitative method of collecting data. Questionnaires were distributed to and responses obtained from 174 staffs of the University Hospital, Legon selected using the stratified random sampling and the simple random sampling method whereas four (4) purposively selected officials of the Ghana Revenue Authority were also interviewed. Majority of respondents had no information or knowledge about the tax relief scheme in Ghana and this is largely attributable to inadequate seminars organized by Ghana Revenue Authority in creating public awareness on its benefits to taxpayers in Ghana. Furthermore, complex procedures or processes coupled with inadequate knowledge regarding how to apply are major reasons why tax reliefs are not utilized. To others, the subject of tax reliefs was not very necessary as they do not have much information on its existence, benefits and how to access it. The study recommended vigorous and regular symposiums to educate the public on the benefits accruing to

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utilizing tax reliefs extending this publicity among the various social welfare departments and the physically challenged groups in Ghana. The study also recommended a more simplified application process and forms to be put in place but the Ghana Revenue Authority to eliminate the discouraging factor taxpayers have whenever tax reliefs and its application is cited.

*Keywords: Tax reliefs; tax payers; Ghana revenue authority; university hospital; Ghana.*

## 1. INTRODUCTION

Governments all over the world, strive to achieve its developmental goals set out in either their annual fiscal budget or in their medium term plans by requiring huge capital outlay to be met from all available revenue sources, which certainly, taxes are generally seen as the most convenient [1,2]. According to Ali-Nakyea, 2006, a tax is a form of imperative contributions or outlays from persons' and businesses or societies to support government expenditures [3]. It can likewise be referred to as any scheme that mandatorily warrants the giving up of the authority of an entity's private merchandises and/or services to endow the government in providing civic goods and services [4]. The whole scope of Ghana's taxes scores over income taxation, value added taxation, customs import and excise duties, stamp duty, and revenue collections from the extractive businesses mainly mining, oil, and forestry with all playing the ultimate quota in raising government's income, reallocation of wealth and revenue [5]. The collection of these revenues are presently administered by the Ghana Revenue Authority which integrates three previously separated agencies namely, Customs Excise and Preventive Service (CEPS), Internal Revenue Service (IRS) and Value Added Tax Service (VATS) [5,6]. Through these agencies, direct taxes, which are intended to be paid by a person or organization on whom or which it is actually levied and Indirect taxes which are levied on expenditure and are paid by suppliers of the goods and services although it is beared by the consumers are paid [7].

Over the years, taxpayers have considered payments of tax as a burden and therefore always found many ways to avoid them thereby resulting in the decision of Government to institute the concept of tax reliefs to attract taxpayers [8]. Tax reliefs were introduced purposely to help reduce the tax burden on the individual tax payer and also to encourage taxpayers to file returns and by so doing, earnings which may not have been captured for tax purposes would be disclosed [8]. According

to the Ghana Revenue Authority, a relief is an allowance given to a resident individual to reduce his or her tax burden [9]. Julia Kagan [10] also defined a tax relief as any government program or policy initiative that is designed to reduce the amount of taxes paid by individuals or businesses. Tax Reliefs are granted by Government and it is administered by reducing the assessable income of those who qualify which in a long run reduces their tax liability [8]. They are highly dependent on the status of the individual and not related to the type of income earned [11]. Presently, Ghana has three main types of reliefs namely; personal reliefs, relief from double taxation, and roll over relief, however, the study is focused on personal reliefs which is stipulated in Sec 51 and Fifth Schedule of Act 896 [12]. The available personal reliefs to resident taxpayers in Ghana are Marriage/Responsibility Relief, Child Education Relief, Aged Dependant Relief and Professional Training Relief [9].

### 1.1 Problem Statement

There is an existing concern regarding the effective or practical use of the available personal tax reliefs among resident taxpayers in Ghana [13] and this assertion has necessitated a number of scholarly researches to ascertain the reason why. For instance, In the study of Agyei and Gyamerah, 2014, employees of both public and private institutions were under studied in the Greater Accra, Ashanti and Brong Ahafo regions to ascertain their awareness of the tax relief scheme in Ghana. The study found out that, employees had ample knowledge about the existence of tax relief schemes in Ghana, however, an insignificant numbers had accessed it [8]. This study however hypothesized lack of knowledge among taxpayers on how tax reliefs could be claimed and cumbersome procedures as reasons why taxpayers do not make use of tax reliefs [8]. In another study by Arhin, 2019, aimed at ascertaining tax relief awareness and its consequences to non – filers among staffs of Kumasi Metropolitan Assembly and the Christ Apostolic University revealed that, employees

are aware of the tax reliefs available for taxpayers and this was due to the efforts of the Ghana Revenue Authority. The study further revealed that tax reliefs has positively influenced the payment of tax. On the other hand, most respondents raised concerns about the delays in paying of tax reliefs coupled with tedious filing or application processes [14]. Mahama and Salifu [15] in their study "Ghanaian Worker and Personal Income Tax Reliefs" discovered that, document of proof of personal circumstances was an impediment to most taxpayers when applying for personal tax reliefs. With the inaccessibility of tax reliefs among taxpayers a major concern for the Government of Ghana, a research of this kind is highly prominent to uncover its level of awareness, reasons for the non- utilization and its challenges.

## **1.2 Research Aim and Objectives**

The key objective of the study is to examine why taxpayers do not make effective use of Ghana's personal tax reliefs with focus on staffs of University Hospital, Legon. The following specific objectives has been framed to enable us achieve the principal;

1. To measure the level of awareness of the personal tax relief scheme among staffs of the University Hospital, Legon.
2. To identify the reasons why staffs of University Hospital, Legon, do not apply for the personal tax reliefs.
3. To examine the challenges associated with the administration of the personal tax relief scheme in Ghana.

## **1.3 Research Questions**

1. To what extent are staffs of the University Hospital, Legon aware of the personal tax relief scheme of Ghana?
2. What are the reasons why staffs of the University Hospital, Legon do not access personal tax reliefs in Ghana?
3. What are the challenges associated the administration of the personal reliefs at the Ghana revenue Authority.

## **1.4 Significance of the Study**

This study will widen the Ghanaian public's knowledge about the tax relief system, facilitate information flow between the Ghana Revenue Authority Officials and eligible taxpayers and increase taxpayer's confidence in the tax laws of Ghana. Moreover, it will help to unravel the

explanations regarding why taxpayers do not utilize tax reliefs and the challenges associated with its accessibility. To the Ghana Revenue Authority, the findings of this study will serve as a guide to implementing an effective administration of tax reliefs in Ghana. This will inform the authority about the impact of various education programs as far as tax reliefs are concerned. This will help in developing policies and strategies to publicize the relevance or importance of tax reliefs In Ghana and encourage taxpayers to utilize the various reliefs available, especially in the midst of the recent financial hardships due to COVID -19. To the scholarly community, this study will commensurate existing literatures on tax reliefs and further provide a base for further researches to be carried on.

## **2. LITERATURE REVIEW**

### **2.1 Definition and Concept of Taxation and Tax Reliefs in Ghana**

It has always been difficult to delineate and identify tax [16] as many scholarly explanations exist. In 1982, Alan defined taxation as the major means through which governments endeavor to reallocate state's wealth to create public stability among people [17]. In another definition by Simon and Nobes, tax is an indispensable levy from the people of a state to the government for which nothing is received directly in return [18] but functions as financial support to aid government spending [19]. In simple terms, one can conclude that, it is an obligatory and unreciprocated payment to general government to aid development. Governments derives a majority of its revenue essential to fund its operations from administering taxes [20] and this comes in diverse forms stretching from fines to penalties, direct or indirect and can be progressive, proportional or regressive in terms of structure.

Reliefs are granted on an annual basis in the Year of Assessment usually January 1st to December 31st however, it is not given automatically but rather, requires that taxpayers follow and fulfill certain laid down conditions [9]. Taxpayers who apply for upfront reliefs and satisfy all the necessary conditions may be granted the reliefs upfront on monthly basis. The following reliefs are allowed under SMCD5 as amended in Income Tax Act, Act 596, sections 14, 15A and 15B now Income Tax Act, Act 896, Sec 51 and Fifth Schedule of Act 896.

**Table 1. Tabulation of various tax reliefs available under Act896 (as amended)**

No.	Relief	Section of Act 896 Purpose
1. Marginal Relief	First Schedule (Sec1)	Avoiding tax on minimum wage to ensure minimum standard
2 .SSNIT /Retirement Benefits Relief	Fifth Schedule (Sec51)	Security against old age
3. Life Insurance Relief	Fifth Schedule (Sec51)	Encourages cover for life against personal accidents
4. Marriage Relief	Fifth Schedule (Sec51)	Responsibility towards one's family
5. Disability Relief	Fifth Schedule (Sec51)	Security for disability
6. Old Age Relief	Fifth Schedule (Sec51)	Secured disposable income to aged
7. Child Education Relief	Fifth Schedule (Sec51)	Responsibility for children or wards
8. Aged Dependent Relief	Fifth Schedule (Sec51)	Care for dependent relatives
9. Cost of training Relief	Fifth Schedule (Sec51)	Encourages professional technical and vocational skills by taxpayers

*Source: Author's compilation from Act 896 (as amended)*

- ❖ **Marginal Relief** : Income Tax Act, 2015, Act 896, First Schedule, Section 1, is a tax relief built into the income tax rates with a threshold of from zero (0) up to an amount where tax rates is free and it is automatically enjoyed by every taxpayer.
- ❖ **Social Security Contribution Act 896: Retirement Benefits Relief Schemes (Sec 93 & Others of Act 896) National Pensions Act (SSNIT Contributions)** : National Pensions Act, 2008 (Act 766) has characterized contributions under a three-tiered pension scheme comprising; **First tier**: An enforced basic social security scheme; **Second tier** which is a compulsory exclusively funded and privately managed working scheme; and **Third tier**, a non-mandatory wholly funded and privately operated provident fund and an individual pension scheme. The universal compulsory monthly pension contribution rates payable by employers is 13% and that of workers which stands at 5.5% are worked on an individual's salary. Employers are tasked to pay the mandatory contributions within 14 days after the end of each month to the Social Security and National Insurance Trust (SSNIT) and the approved trustee as appropriate [21].
- ❖ **Life Insurance Relief**: This relief is granted to taxpayers who pays life insurance premium in Ghanaian currency to a Ghanaian Insurance Company during a basis period within a year. The amount granted as relief is not greater than 10% of the sum assured or 10% of the assessable income for the year from the taxpayer's business, employment and investment less any deduction for a contribution made to a retirement fund.
- ❖ **Marriage /Responsibility Relief** : Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (a) states that an individual with a dependent spouse or at least two dependent children is entitled to a relief of One Thousand two hundred currency points (GH¢1,200.00). This has been revised from two hundred currency points (Gh¢200.00).
- ❖ **Disability Relief**: Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (b) states that in the case of an individual who has disability, that individual is entitled to a personal relief of twenty-five percent (25%) of the assessable income of that individual from a business or employment.
- ❖ **Old Age Relief**: Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (c) states that in the case of an individual who is sixty (60) years of age and above, that individual is currently entitled to a personal relief of One Thousand Five hundred currency points (Gh¢1,500.00). This amount has also been revised from two hundred currency points (GH¢200.00) before 1<sup>st</sup> January, 2020.
- ❖ **Child Education Relief**: Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (d) states that in the case of an individual who is sponsoring the education of the child or ward of that individual in a

recognized registered educational institution in the country, that individual is entitled to a personal relief of Six hundred currency points (GH¢600.00) per child or ward up to a maximum of three (3) children or wards. This particular relief until 1<sup>st</sup> January, 2020 use to be two hundred currency points (Gh¢200) for three wards.

- ❖ **Aged Dependent Relief:** Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (e) states that in the case of an individual who has a dependent relative who is not his/her a child or spouse, at the age of sixty years or more, entitled to a personal relief of one thousand currency points (GH¢1000.00) but that individual may only claim relief in respect of two dependent relatives. The current status of the age dependency relief is an appreciation from an amount of one hundred currency point (GH¢100.00).
- ❖ **Cost of Training Relief :** Income Tax Act, 2015, Act 896, Fifth Schedule, Section 51 (f) states that an individual who has undertaken training to upgrade his/her professional, technical or vocational skills or knowledge is entitled to a personal relief which is equivalent to the cost of the training of not more than Two thousand currency points (GH¢2,000.00).

## 2.2 Theoretical Literature

The theory of planned behavior suggests that, an individual's behavior is determined by the individuals intention; whereas the intention is determined by an individual's attitudes, which are beliefs of the outcomes of a particular behavior, subject norm which is the perception of alternative opinions whether to perform a particular behavior [22].

Fig. 1 Panel A depicts the Ajzen's model. The theory of planned behavior is adopted and maintained that, an individual's resolve to comply with tax regulation is determined by three factors modified for an individual's attitude, norms and knowledge towards tax compliance.

Fig. 1 Panel B recapitulates tax compliance behavior [23]. Tax attitude points to one's belief of the consequences of tax compliance; tax ethics or norm refers to one's perception or opinions on tax compliance; whereas tax knowledge is one's perception of the capability to

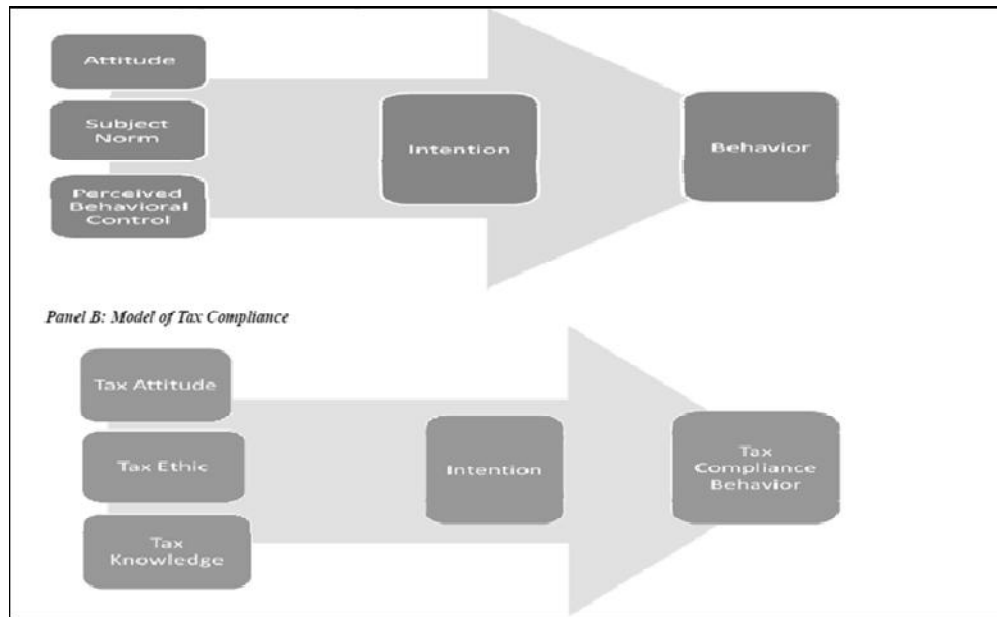
obey the tax laws which comprises of technical tax information about the tax system and tax compliance [24].

As reiterated by Agyei and Gyamerah, personal tax reliefs are a legitimate and precise way to compensate low paid workers [8]. This has over the years attracted the attention of scholars to highlight its importance, effects or impact on taxpayers, challenges faced by eligible taxpayers and providing recommendations towards addressing the growing concern on its low awareness and utilization in most developing countries, for which Ghana cannot be left out [13]. Nyarko, Agbemava & Bediako in their research on the effectiveness and usefulness of personal tax reliefs came to the conclusion that, inadequate tax education, improper completion of IT forms 21 and 51 and low staff motivation were the main reasons for the ineptness of the personal tax relief system in Ghana. In the same study, it was revealed that, the officials of the Ghana Revenue Authority actually encounter difficulties in the computation of the reliefs to be earned by the taxpayer, which was due to wrong declaration of income by applicants, for that matter, taxpayers. Additionally the forms are not properly completed and unqualified persons are made to endorse the Tax Returns (IT) Forms; 21 and 51 (supplementary) [25]. In the study, 7% of employees consented that personal tax reliefs should be abolished and 93% strongly agreed that personal tax reliefs should never be abolished. It was noted that some taxpayers were disqualified from enjoying the reliefs due to failure to apply for the reliefs, wrong status declaration, failure to file returns, falsification of information and not meeting the conditions for enjoying specific reliefs [25]. Also, in another study on the utilization of income tax credits by low-income individuals, it was recommended that the Internal Revenue Service should trim filing burdens to allow a lot of people to participate by making use of electronic filing [26]. For instance, Fuchs and Lietz studied the effects of changes in tax/benefits policies in Austria 2003 – 2005. The study concluded that, tax reforms although it produced a normal change in disposable income; have no strong influence on income distribution and poverty. This they claim is due to the changes not being impartial budget and were put in place at a higher budget deficit [27]. Another study by Cosmin, Doina and Ion arrived at a conclusion that, higher tax rates are offset by the personal deduction resulting in overall smaller taxable income [28].

**Table 2. Tax reliefs and rates available in Ghana**

Kinds of tax reliefs	Year and rates				
	2001-2006	2007-2010	2011-2014	2015-2019	2020
Marriage/responsibility	GH¢30 per anum	GH¢35 per anum	GH¢100 per anum	GH¢200 per anum	GH¢1,200 per anum
Disability	25% of total income per anum (from Business / employment)	25% of total income per anum (from Business / employment)	25% of total income per anum (from Business / employment)	25% of total income per anum (from Business /employment)	25% of the disabled person's income from business or employment
Old age	GH¢30 per anum	GH¢35 per anum	GH¢100 per anum	GH¢200 per anum	GH¢1,500 per anum
Children education	GH¢24 per child per anum	GH¢30 per anum	GH¢100 per child per anum	GH¢200 per child per anum	GH¢600 per child per anum
Aged dependent relative	GH¢20 per dependent per anum	GH¢20 per anum	GH¢50 per dependent per anum	GH¢100 per dependent per anum	GH¢1,000 per anum
Cost of training	GH¢50 per anum	GH¢100 per anum	GH¢200 per anum	GH¢400 per anum	GH¢2,000 per anum

Source: Authors compilation from Ghana Revenue Authority website



**Fig. 1. Ajzen' Model, Source: Ajzen, 2011**

Panel A: The theory of planned Behaviour - Ajzen (1991)

Panel B: Model of Tax Compliance

### 3. METHODOLOGY

#### 3.1 Research Design

Research design is the outline for gathering, measuring and evaluating of data [29]. The researcher used descriptive research to describe the data congregated through the use of

questionnaire for the study. The populations for the study consisted of all staffs of the University Hospital, Legon. Questionnaires were used to collect the data for the study. Stratified random sampling and simple random techniques were used to select the appropriate sample for the study. A qualitative data gathered through interview was also analyzed. Again data

gathered through the use of questionnaires were also analyzed using the frequency, percentages and pie charts.

### 3.2 Population and Sample Size

The University Hospital has a population size of three hundred and twenty (320) medical and non-medical staffs. The population used in this research is made up of both medical and non-medical staffs of University Hospital, Legon and staffs of the Ghana Revenue Authority. This study area is selected due to proximity of the researcher so that data gathering would be relatively simpler, easier and expedient. Below is the distribution table analysis of the population size of the University Hospital Staff:

**Table 3. Staff population, university hospital, Legon**

Category	Number of staff
Doctors	30
Nurses	183
Laboratory Technicians	16
Pharmacy Departments	10
Non-Medical Staff	81
Total of both Medical & Non-medical staff	320

Source: Field Study 2020

Yamane formula was adopted to work out at the sample size from the population size of 320. Yamane Formula has a random selection error of 5% and a confidence coefficient of 95%,

therefore the total populations are having equal opportunity of being sampled.

The Yamane Formula is given by:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size  
 N = Population size  
 e = margin of error

$$n = \frac{320}{1 + 320(0.05)^2} = 177.7$$

With a population size of 320, the Yamane formula was used to get the sample size of 177.7 estimated to 178 University Hospital staffs. Additionally, four (4) staffs from Ghana Revenue Authority were interviewed, representing a population and sampled size of 182 respondents for the study. Below is the distribution table analysis of the sample size of the Ghana Revenue Authority officials:

**Table 4. Ghana revenue authority officials**

Category of staff	Number of respondents'
Accountant in charge of PAYE	1
Principal Filing Officer	1
Assistant Filing Officers	2
Grand Total	4

Source: Field Study 2020

**Table 5. Representative sample size from the Yamane sample size of 178 respondents**

Category	Number of staff	Sample size
<b>Doctors</b>		
Senior Members	30	17
<b>Nurses</b>		
Senior Members	25	14
Senior Staff	158	88
<b>Laboratory technicians</b>		
Senior Staff	16	9
<b>Pharmacy department</b>		
Senior Members	2	1
Senior Staff	8	4
<b>Non-medical staff</b>		
Senior Members	2	1
Senior Staff	32	18
Junior Staff	47	26
Representative Sample Size		178

Source: Field Study 2020

### 3.3 Sampling Technique

Since the main purpose of the study is to identify why government workers are not taking advantage of tax reliefs, a representative sample size of 178 government workers from various departments in the University Hospital Legon, Accra from various categories and ranks who are eligible taxpayers were selected. Proportional stratified random sampling was used to select 178 government workers from the various departments in the University Hospital, Legon Accra. Purposive sampling was used to select 4 Ghana Revenue Authority Officials who were interviewed.

### 3.4 Source of Data & Collection Procedure

The researcher used both primary and secondary source of data. Primary data was obtained by the use of questionnaires and interviews whereas secondary source information obtained from books, journals, publications and other research already carried out. The researcher used questionnaires and interview guide to collect data for the study.

### 3.5 Structure of the Questionnaire

The questionnaire consisted of four sections A, B, C, and D. Section A consists of close-ended questions and deals with the bio-data of the participants. Section B constitutes of close-ended "yes" or "no" question items that measured the views of participants on the extent to which taxpayers are aware of tax reliefs. Section C is also made up of close-ended "yes" or "no" questions which seek to identify reasons eligible taxpayers do not apply for tax reliefs. Section D presents closed-ended "yes" or "no" questions on the challenges that applicant face regarding the administration of tax relief.

### 3.6 Interview

In an attempt to draw reasonable and unbiased conclusion, officials from Ghana Revenue Authority were interviewed to obtain field information concerning reasons why Taxpayers have refused to apply for the tax reliefs and the challenges that Ghana Revenue Authority personnel encounter in their course of work. To get first-hand information from the Ghana Revenue Authority (GRA), four (4) GRA staffs were interviewed. These comprised of the

Accountant in charge of Pay As You Earn (PAYE), a Principal Filing Officer and two (2) Assistant Filing Officers. An appointment for interviews was made by telephone and also in person. The interviews were conducted in a language that was well understood and spoken by the respondents thus in English language.

### 3.7 Reliability and Validity of the Questionnaire

Reliability is labeled as the magnitude to which an instrument measures the same way each time it is used under the similar circumstances with the same data. The internal consistency of the items on the questionnaire was checked by using the Cronbach's alpha value with the help of IBM SPSS Version 21. The table below shows the results of test of reliability for the study. The Cronbach's Alpha value of 0.832 depicts that the questionnaires are reliable.

Table 6. Reliability test

Cases	Cronbach's alpha	Number
Valid	0.832	43

According to Neumann (2006) validity means trusting [30]. There are different types of validity that may be considered. The study adopted the use of content validity to examine the data collected from the questionnaires administered to the selected samples of the ten taxpayers. This was to confirm that the questionnaires were able to cover the questions needed for the study.

### 3.8 Method of Data Collection and Analysis

The data collections were sourced from primary and secondary sources. The main sources of primary data were from interviews conducted and questionnaires administered. These were used to obtain responses from the respondents based on the specific objectives designed for the study. Data collected from respondents were analyzed by using simple Microsoft excel with the use of Percentages and frequency to analyze and present the data collected for the study.

### 3.9 Profile of University Hospital, Legon

The University of Ghana Hospital, popularly known as the Legon Hospital was built and commissioned in 1957 and is officially owned by the University of Ghana. It was set up almost the



same time as the University was found in Achimota School West Compound. It was put under the charge of Dr. A.B. Boyd (a Scottish Doctor) who was assisted by one staff nurse (SN). The hospital started as a clinic, sharing all facilities in common with the Achimota Hospital. In 1959, five (5) personnel consisting of a doctor and four nurses moved from Achimota to start work at the then University College Hospital. The facilities of the hospital grew over time to include Maternity Ward and Staff Quarters. The Hospital is currently situated at an easily accessible area behind the Legon Police Station at 12.6 kilometers off the main Accra – Aburi road. It is generally referred to as a quasi-government hospital with a bed capacity of 130 comprising of General Wards, Maternity Wing, Casualty and Emergency Ward, Pediatric Unit, Dental Unit and Operating Theatre [31].

#### 4. FINDINGS AND DISCUSSION

The questionnaires which were designed to get the respondents view on tax reliefs' utilization in Ghana were administered on the selected sample of 178 employees using Yamane formula for determining the sample size (1973). Out of a total of 178 questionnaires which were administered on the sample; 174 questionnaires were completed and returned which represents 97.75% response rate.

##### 4.1 Demographic Characteristics of the Respondent

The respondents' bio-data considered included: Gender, Age, Marital status, educational background and job description. This is because information from the respondents was vital in

determining the views or perceptions of people in this study.

Gender was one of the indicators the researcher considered to be vital to the study. Majority of the respondents for the study were females representing 6.5%, whereas males represented 34.5% as shown in Table 7.

The age of respondents was also considered to ascertain whether respondents fall within the average working and taxpaying age in Ghana and furthermore, understands what it means to take advantage of tax reliefs as provided by the Ghana Revenue Authority. The results as revealed in Table 7 shows that, none of the respondents fell below 18years which is the minimum age for any Ghanaian to qualify as a taxpayer. A total number of 16 respondents representing 9.2% were between 25-34 years; 36 respondents representing 20.7% of the respondents were between 35-44 years; 101 respondents representing 57.5% were between 45-54 years while 22 respondents representing 12.6% of the respondents were between 55-60 years. The results showed that most of the respondents were between 45-54 years.

Marital status of respondents was also considered. This was necessary to enable the researcher ascertain the responsibilities of the respondents. Tax reliefs are basically to serve as incentives to taxpayers who fall within a certain category of the working society in Ghana such as married, have children and have dependents who are aged. With respect to the marital status; the study revealed that 110 of the respondents representing 63.2% were married while 64 of the respondents representing 36.8% were single.

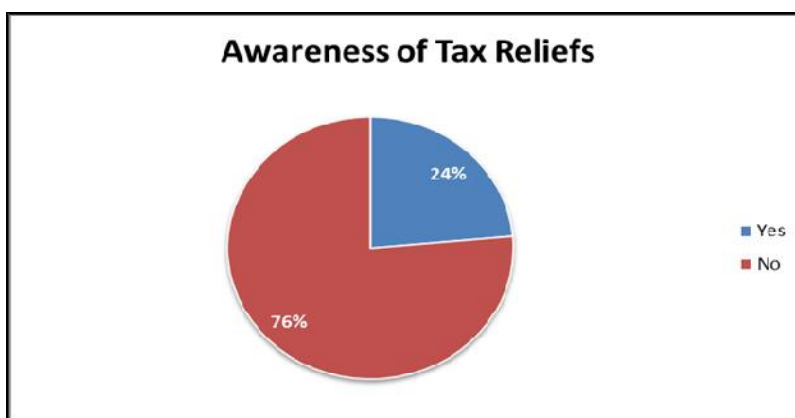


Fig. 2. Survey data 2020; aware of respondents on tax reliefs

**Table 7. Demographic characteristics of respondents**

Variable	Response	Frequency (%)	Percentage (%)
Gender	Male	60	34%
	Female	114	66%
	Total	174	100%
Age	25-34 years	16	9%
	35-44 years	36	21%
	45-54 years	100	57%
	55-60 years	22	13%
	Total	174	100%
Marital Status	Single	64	37%
	Married	110	63%
	Total	174	100%
Educational Background	WASSCE	19	11%
	HND	15	9%
	DEGREE	97	56%
	MASTERS	38	22%
	PhD	5	3%
	Total	174	100%

*Fig. 1. Survey data 2020; demographic characteristics of respondents*

In terms of the educational background of the respondents, the study found out that, majority had tertiary education with only 11% falling below that. This shows that majority of the staffs had what it takes to understand what tax reliefs and its importance to taxpayers is. This is very vital to understand why tax reliefs are not been utilized.

The number of years for which employees had worked with University Hospital is as shown in Table 7 reveals that majority have worked for 6 to years representing 35% of the respondents. Others who participated in the study have worked with 11 to 15 years (31%), above 15 years (23%) and 1 to 5 years (11%).

**Table 8. The Extent to which taxpayers are aware of tax relief scheme**

Responses	Frequency	Percentage
Yes	41	24%
No	133	76%
Total	174	100%

Majority of respondents (133) representing 76% considered for the study indicated that they have not heard of the tax relief scheme available to taxpayers whereas the remaining 41 representing 24% had some knowledge about its existence. We can therefore conclude as per this finding exhibited in Table 9 that, majority of the staffs of the University Hospital, Legon were ignorant about personal tax reliefs available to taxpayers. This finding is contrary to that of Agyei and Gyamerah, 2014 who in their study also

found out that majority of respondents were aware of the tax reliefs [8].

**Table 9. Means the respondents get to tax reliefs; source of information on tax reliefs**

Information source	Frequency	Percentage
Friends	9	22%
GRA Officials	11	27%
Media	11	27%
Seminar	10	24%
Total	41	100%

A follow up question to ascertain how the 41 respondents (24% who had knowledge on tax reliefs) heard about the tax reliefs revealed that, the media (27%) and the Ghana Revenue Authority (27%) were their source of information on tax reliefs. Ten (10) staffs also mentioned that seminars they have attended as their source of information while eleven (11) staffs representing 22% got to know through friends.

**4.2 Reasons Eligible Taxpayers Do Not Apply for Tax Reliefs**

When the respondents were asked the reasons for not applying for any of the tax reliefs, 66 respondents representing 38% indicated inadequate awareness or education, 110 of the respondents representing 63% indicated that the procedures were too complex, 67 respondents representing 39% indicated they do not know how to apply, 46 respondents representing 26% indicated that they don't find it necessary and 23

respondents representing 13% indicated they do not have accurate information on tax reliefs and how to apply. The results, as shown in Table 10 reveals that, majority of the respondents representing 63.2% were of the view that procedures to acquire tax reliefs in Ghana were too complex. This result is consistent with the findings of previously published data which revealed that filing burdens do not allow workers to participate in tax relief schemes [26].

**4.3 Evaluating Challenges Respondents Encounter with Regards to Administration of Tax Reliefs**

This section presents an evaluation of the challenges staffs of the University Hospital, Legon encounters with regard to utilizing tax reliefs in Ghana.

Filing procedures have been described by 57% of respondents as too complicated, as tax relief forms were bulky, involving complicated application procedure and documental requirements. A total of 69% of respondents also asserted that, the Ghana Revenue Authority does not provide adequate information on personal tax reliefs and reliefs take a long period before they were approved.

**4.4 Tax relief Application and Documentation**

Interview conducted with the Ghana Revenue Authority confirmed that, most applicants for tax reliefs have challenges with properly completing the filling of the individual income tax return form

(IT form 21). All four (4) officers interviewed confirmed that applicants do not complete the forms properly due to its cumbersome nature, with stern supporting documents such as marriage certificates for marriage reliefs, confirmation letters Directors of the Ghana Education Services to support child education relief applicants and many others required are the key discouraging factors among prospective applicants. This result was consistent with the findings of Israel et al. [25] who revealed that, improper completion of IT form was an issue that needed to be addressed. Furthermore, the neglect in returns filing among taxpayers has also contributed to the complicated application procedures involved in applying for tax reliefs. This is because, applicants who have not filed their returns over a certain number of years are required to do so retrospectively as required by law and these results in filling a lot of forms which is mostly a lot of work for applicants and hence the discourage to apply.

One major challenge being faced by the Ghana Revenue Authority was educating the general public about their programs and policies. This confirmed the reason why most Ghanaians do not embrace taxation in the country. The Ghana Revenue Authority officials admitted the fact that there had not been a rigorous education on tax reliefs in Ghana but stated that efforts were being made to get taxpayers educated on tax related issues. They also complained about taxpayers not coming to their offices whenever they needed help or information pertaining to tax reliefs. They further revealed inadequate funding to support educative activities and seminars across the country is one of their core challenges.

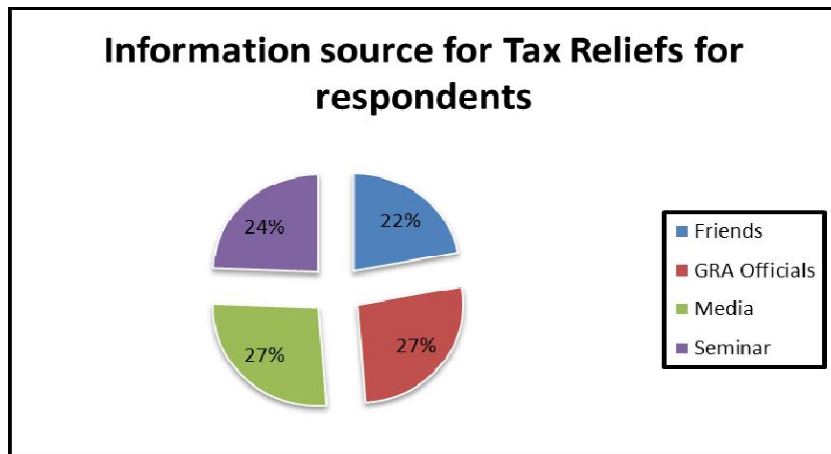


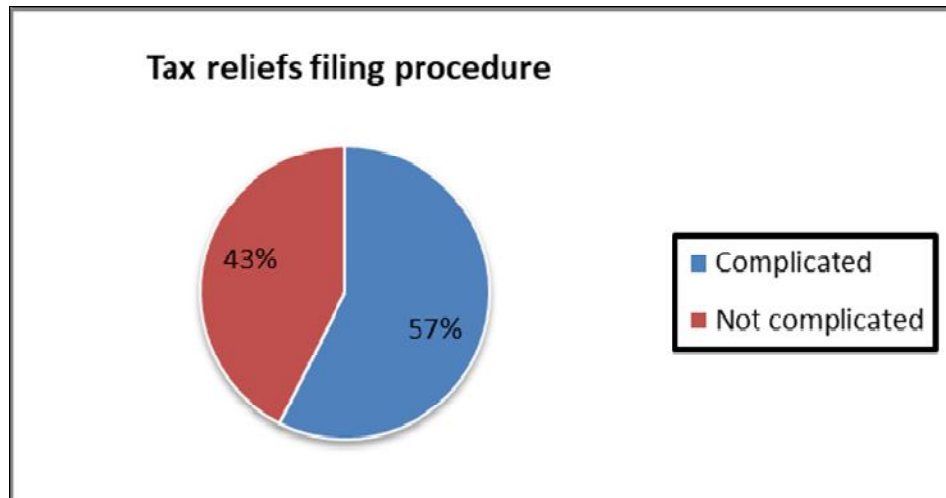
Fig. 3. Survey data 2020; Source of information on tax reliefs for respondents

**Table 10. Response on why eligible tax payers do not utilize reliefs**

Responses	Agree		Disagree		Total	
	Frequency	Percentages	Frequency	Percentages	Frequency	Percentages
Inadequate awareness/ education	66	38%	108	62%	174	100%
Procedures too complex	110	63%	64	37%	174	100%
I do not know how to apply	67	39%	107	61%	174	100%
Not necessary	46	26%	128	74%	174	100%
I don't have accurate information	23	13%	151	87%	174	100%

**Table 11. Tax filing Procedure**

Responses	Frequency	Percentage
Complicated	100	57%
Not Complicated	74	43%
<b>Total</b>	<b>174</b>	<b>100%</b>



**Fig. 4. Survey data 2020; Tax relief filing procedure**

**Table 12. Ghana Revenue Authority contribution to public awareness**

	Frequency	Percentage
GRA provides adequate information	120	69%
GRA does not provide adequate information	54	31%
<b>Total</b>	<b>174</b>	<b>100%</b>

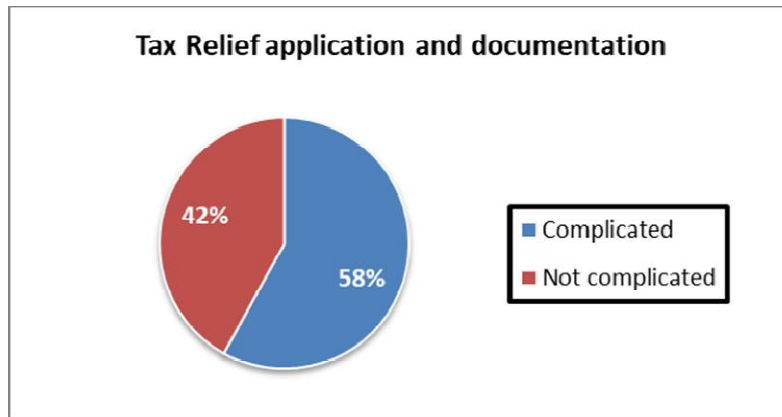


Fig. 5. Survey data 2020; Tax relief application and documentation

Table 13. Tax relief application and documentation

Responses	Frequency	Percentages
Complicated	101	58%
Not complicated	73	42%
<b>Total</b>	<b>174</b>	<b>100%</b>

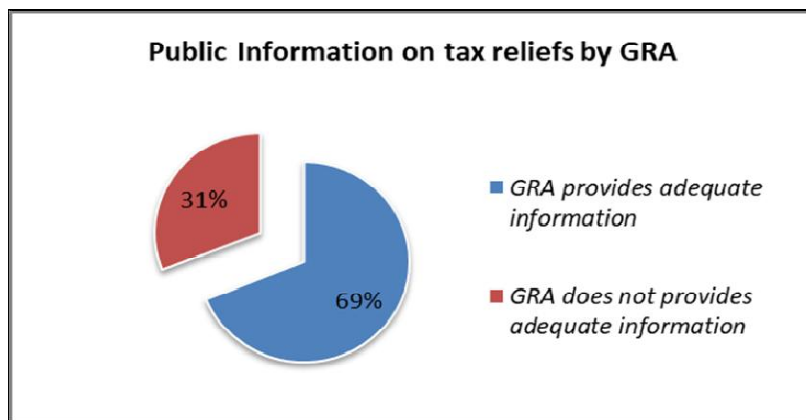


Fig. 6. Survey data 2020; Ghana Revenue Authority public awareness creation on Tax reliefs

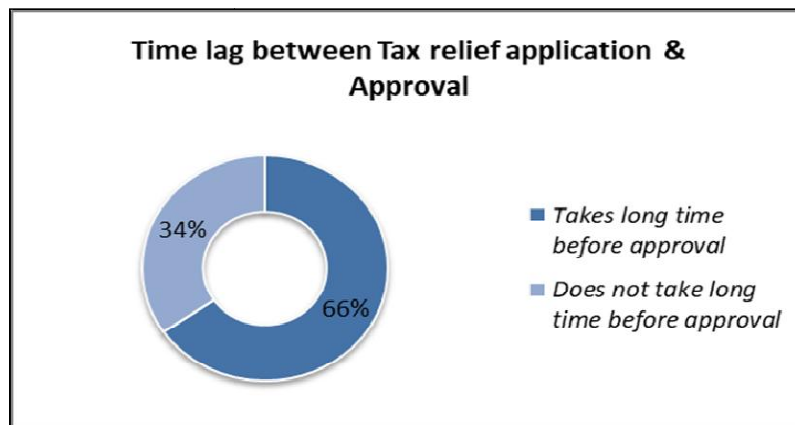


Fig. 7. Survey data 2020; Time lag between application and approval of tax reliefs

**Table 14. Tax relief approval by the Ghana revenue authority**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
Takes long time before approval	114	66%
Does not take long time before approval	60	34%
<b>Total</b>	<b>174</b>	<b>100%</b>

**5. CONCLUSION AND RECOMMENDATIONS**

The study revealed that majority of the respondents had no or little information on tax relief’s scheme and its benefit to taxpayers in Ghana. Respondents who had some ample knowledge were informed largely through Ghana Revenue Authority officials and the media. With the awareness of tax reliefs been feeble among staffs of the University Hospital, Legon, it was revealed that, public education by the Ghana Revenue authority, even though ongoing, is not vigorous enough and therefore has not made impact as expected. This situation coupled with complex filing procedures, bulky application forms, stern documentation requirements and long approval period has discouraged staffs of the University Hospital, Legon from applying and utilizing the tax reliefs available to taxpayers in Ghana. Based on the findings of the study, it is recommended that;

- The publicity on tax reliefs by the Ghana Revenue Authority should be more vigorous than what is currently pertaining. Regular seminars or symposia must be frequently organized by the authority for employers, employees and various institutions, both public and private in Ghana to adequately educate taxpayers on the existence of tax reliefs, various types of reliefs available, how to apply and utilize tax reliefs precisely on how to deal with the IT forms 21 and 51 which are the main application instruments for tax reliefs in Ghana. This exercise could be extended not only among the formal sector, but also the informal and the engagement of social media tools will be very helpful.
- The Ghana Revenue Authority must also work in collaboration with the Social Welfare and the Physically Challenged Rehabilitation Centers to educate its

members on the on the tax reliefs available for taxpayers in Ghana.

- The complexity in the current application procedure for tax reliefs and the longer approval time need to be simplified and shortened respectively, to encourage taxpayers as far as tax relief utilization is concerned. Already the Ghana Revenue Authority had made the attempt to simplify the complicated income Tax Form 21 (IT Form 21), but more need to be done. For example the Ghana Revenue Authority can depend on the Social Security and National Insurance Trust (SSNIT) for certain information on employees. This would reduce the burden on the tax payer of having to provide evidence to support the information they disclose on the IT Form 21.

**CONSENT**

As per international standard or university standard, participant’s written consent has been collected and preserved by the authors.

**COMPETING INTERESTS**

Authors have declared that no competing interests exist.

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