



Africa– Ghana 2020

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GHANA’S PROPERTY TAX MUST BE REVIEWED TO GENERATE MORE REVENUE1

Ghana’s property tax must be reviewed to generate more revenue

The Chief Executive Officer of Millennium Properties Limited, Peter Atsu Tsikata, is calling for reform of Ghana’s property tax laws to help rake in the needed revenue for the state.

He says the current regime where owners of multi-million dollar properties in the country are made to pay property tax of about GHS 2, 000 annually is inappropriate.

Speaking to Citi Business News, Mr. Tsikata said there is the need to revalue Ghana’s property rate charges to correspond with modern trends.

“Somebody living in a million dollar property in Trasacco should not be paying GHS2, 000 as property tax. It is unheard of. Somebody in New Jersey in the USA, who’s living in USD700, 000 home pays USD10, 000 annually as property tax”.

He argued that even though economic conditions in the two countries are not the same the mechanism for valuing properties are standardized hence can be applied in Ghana.

Providing some recommendations, Mr. Tsikata called for a system that will empower and equip special officers at the various Metropolitan, Municipal and District Assemblies (MMDAs) across the country to collect the tax effectively for the state

“The current market values of properties must be known to the MMDAs. This will allow the assessor to value and produce a correct tax bill for the property owner”.

He said one of the major ways by which governments all over the world generate revenue to support development particularly at the local level, is through the collection of taxes on landed properties.

He said this will provide an opportunity for the citizens to demand basic amenities from the government.

Property tax in Ghana

Property taxes, popularly known in Ghana as property rate, paid on immovable property, is collected annually under the auspices of the Ghana Revenue Authority, (GRA)

In Ghana, property tax is levied annually by local authorities on the estimated value of the property, depending on the classification of the area where the property is located.

The rates range from 0.5 percent to 3 percent.

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There are also different types of property tax, namely: property rates, ground rates and the actual property tax.

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