

ICAG BUSINESS LESSONS (WEEK 36)

Good morning

This is week 36 of the year 2022 in the Gregorian calendar. 16 weeks remain until the end of the year.

MONDAY MOTIVATION

Once you have commitment, you need the discipline and hard work to get you there.

– *Haile Gebrselassie*

TAXATION QUOTE OF THE WEEK

What people really want is fairness. They want people paying their fair share of taxes.

– *Barack Obama*

TAX CONCEPT OF THE WEEK: INCOME SUBJECT TO TAX

The main problem with the theory of income taxation is the definition of income that is to be taxed. The term income is not specially defined by the Income Tax Act, 2015 (Act 896) as amended.

However, it has been regarded to mean a periodic monetary return coming in with some sort of regularity or expected regularity from definite sources. It could thus be received in cash or in kind. Income tax is a tax imposed on a person's taxable income at specific rate.

Income tax is charged on every person who has **chargeable income** for each year of assessment.

Chargeable Income:

Section 2 of the Income Tax Act (ITA), Act 896 defines the chargeable income of a person for a year of assessment as the total of the assessable income of that person for the year from each employment, business or investment less the total amount of deduction allowed that person.

Chargeable income is derived from three main types of income, namely;

- Business,
- Employment and

- Investment.

Assessable Income:

Assessable income of a person for each of assessment is defined by Section 3 of the ITA as the income of that person from any employment, business or investment. These assessable income of a person for a year of assessment from any employment, business or investment is;

- In the case of a resident person, the income of that person from each employment, business or investment for the year, whether the source from which the income is derived has ceased; and
- In the case of non-resident person, the income of that person from the employment, business or investment for the year to the extent that the income has a source from Ghana; and where the person has a **permanent** establishment, the income for the year that is connected with the permanent establishment, irrespective of the source of the income. An income is deemed to be sourced from Ghana if the income is accruing in or derived from the country.

THIS WEEK IN HISTROY – TOP 10 EVENTS

05/09/1996 - Following US cruise missile strikes on Iraq, crude oil prices rise as the market speculates when Iraq will begin exporting oil under UN Resolution 986

05/09/1991 – The current international treaty defending indigenous peoples, Indigenous and Tribal Peoples Convention, 1989, comes into force.

06/09/1974 - Saudi Arabia increases its oil buy-back price from 93 percent to 94.9 percent of posted price

07/09/2021 – Bitcoin becomes legal tender in El Salvador.[

07/09/2005 - First presidential election was held in Egypt.

07/09/1979 – The Chrysler Corporation asks the United States government for US\$1.5 billion to avoid bankruptcy

08/09/2008 - Latvia joins its northern neighbor Estonia in recession as GDP falls 0.2% in the second quarter from the first quarter, when it fell 0.3%; property markets and construction have suffered in both Baltic states

08/09/1926 – Germany is admitted to the League of Nations.

09/09/2015 - Apple unveils the iPad Pro and iPhone 6S in San Francisco

09/09/1947 – First case of a computer bug being found: A moth lodges in a relay of a Harvard Mark II computer at Harvard University.

DID YOU KNOW?

ICAG College of Accountancy has opened registration for tuition for December 2022 CA Professional Exams. Join ICAG for tuition for all levels. Classes starts **5th September – 27th November, 2022**. Don't be left out!

Have a blessed week!

Compiled by:

Technical and Research Directorate, (Institute of Chartered Accountants (Ghana)).

Please send all comments and suggestions to **Alhassan Trawule** on **0242 732976**.

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