

The impact of tax exemptions granted to CSO's on revenue mobilization targets: The case of CSOs in Accra-Ghana.

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Abstract: Presently, there are plethora of controversies as regards whether Civil Society Organizations (CSO's) should be taxed in Ghana. Against this backdrop, the study examined the impact of tax exemptions to CSO's on revenue mobilization targets in Ghana using descriptive statistics, exploratory and cross sectional surveys

Quantitative research embodying primary data in the form of questionnaires were administered to 240 respondents from selected CSO's in Ghana from a population of 350. Non probability sampling framework in the form of simple random sampling was used in the selection of the research participants. Data was analyzed using the Statistical Product and Service Solutions (SPSS, Version26).

The findings show that 96% of respondents strongly agreed that there was a symbiotic relationship between tax exemptions to CSOs by government since CSOs help to attract investors into the economy through advocacy for transparent and accountable government structures, 88% response rate strongly disagreed that tax exemptions to CSOs should be broadened beyond just corporate taxes as currently entails in section 97 of the Income Tax Act 2015 (Act 896), 100% of the respondents strongly agreed that business incomes of CSOs should be subject to tax cognizance with section 97 of the Income Tax Act 2015 (Act 896) which stipulates that any other income from business earned by a CSO must be subject to tax, while 81% of the respondents disagreed that tax exemptions to CSOs negatively affected revenue mobilization.

Based on the findings, the study recommended that the current tax exemption to CSOs which covers only corporate taxes should be maintained since it has no negative impact on revenue mobilization and to help build a more resilient civil society organization and concludes that tax exemptions to CSOs do not adversely affect revenue mobilization.

Key Words: Tax exemptions, CSOs, Accra.

I. THE STUDY BACKGROUND

Tax refers to mandatory levies on individual's income, corporate profits and on good and services which forms the basis for government's smooth delivery of public goods and services (Akitoby,2018). This definitions outlines two categories of taxes levied in Ghana; those levied on individual's income and corporate profits (direct taxes) as well as those levied on goods and services (indirect taxes).

Even though the fundamental goal of taxation is to harness the needed revenue for developmental projects, government

sometimes grant tax exemptions to taxpayers aimed at attracting investors into the domestic economy. Tax exemptions are the amounts that are reduced or removed from income amounts or certain cluster of transactions because they are exempt from taxation. In Ghana, by virtue of article 174 of the 1992 constitution of Ghana, only parliament can grant tax exemptions or waivers. This is further enshrined in Section 7(5) of the Income Tax Act, 2015 (Act 896) that no law or agreement can exempt income tax unless the legal framework for exemptions is followed.

Undoubtedly, Prichard (2018) opined that the more reliant a country has on tax revenue, the more likely it is to engage in tax bargaining with the public about what taxpayers are prepared to pay and in exchange for what (Prichard, 2018). Albeit, several reasons are assigned for tax exemptions, chiefly among them is the attraction of investors into the domestic economy for foreign direct investment and creation of employment opportunities (Therkildsen & Bak, 2019). These benefits are however, without limitations as tax exemptions have the tendency to deprive government of its legitimate gains. For instance, His Excellency Nana Akuffo-Addo, Ghana's president in his State of the nation's address in 2019, opined that Ghana lost \$1.1bn in 2018, representing 1.6% of GDP due to tax exemptions and leakages. The assertion of the president was subsequently buttressed by the Auditor General of Ghana who also indicated that GH¢12bn was lost to revenue leakages and tax exemptions in 2020 (Mills,2022). These revelations thus, warranted an empirical underpinnings on the impact of tax exemptions granted to CSO's on revenue mobilization targets focusing in CSO's in Accra-Ghana.

Civil Society Organizations (CSOs) are charitable institutions registered for advocacy, fulfill social and economic needs that would have hitherto been performed by government. Since their motive is not make profit but to generate revenue to advance their corporate objectives as well as assisting government with other developmental priority areas, governments deem it expedient to exempt them from payment of taxes (Hu, Zhu & Kong, 2020). Some of such exemptions may include: exemptions from corporate taxes, VAT, Customs but does not include income taxes on employees and other business incomes by CSOs. It is without doubt these exemptions jeopardize tax revenue mobilization targets but

this is a means of government support to these CSOs as partners in development.

According to Hu et al., (2020), issues pertaining to mobilization of tax revenue has gained national attention as government expenditures continue to soar with time. Various stakeholders have recognized the important role dimension of tax revenue in ensuring robust economies and systems sustainability. Ghana's situation is even more complex following the eruption of Covid-19 that stretched government's budgets.

The economic and financial meltdown in 2008 jettisoned to decline in donor support has reiterated the need of meeting revenue mobilization targets for economic growth and development. The emergence of covid-19 has even been envisaged to limit foreign support as nations endeavor to navigate through for economic stability (Agustin Redonda, Christian von Haldenwang, and Flurim Aliu, 2021).

Despite the aforementioned significance of tax revenue, most governments the world over have also exempted civil society organizations from the payment of corporate taxes apparently because of their non-profit objective clauses and Ghana is no exemption. Anchored on the fact that inadequate literature presently exist on the implications of tax waivers to CSO's on revenue mobilization targets in Ghana to the best of the researchers' knowledge, makes this current study apt. Additionally, most academicians have also argued that most CSOs do not properly classify their sources of income making it highly impossible to ascertain which incomes are exempted and which ones must be taxed and this creates transparency and accountability lapses making it imperative for empirical analysis of the extent to which CSOs account for the various sources of incomes through proper record keeping to justify their tax exemption status (Lie, Lieu & Cheng, 2016). Lucidly put, Adu Gyamfi (2016) posited that the canons of a good tax system reiterate for equitability and it is not surprising for the sake of equity, tax exemptions are granted to CSOs in Ghana because their objective is not to make profit (Adu Gyamfi, 2016).

Outcomes of this study shall be useful for policy making regarding future tax exemptions as well as lucidly serve as literature for potential researchers

Accordingly, to what extent does tax exemptions to CSOs affect revenue mobilization targets in Ghana?

II. LITERATURE REVIEW

2.1 Theoretical Framework

The underpinning theoretical framework for this study includes the resource dependent theory.

2.1.1 Resource Dependence Theory

According to the resource dependency theory, because CSOs are not economically self-sufficient, external resources are vital to their survival. CF needs to work hard to adapt to the parts that are critical to the available resources or have control

rights. A large number of empirical studies on CSOs in western societies found evidence that supports resource dependence. As donors increase donations, the need for disclosure by charities continues to increase. An empirical study on CF from China also found that a higher level of online disclosure is related to greater reliance on public donations.

Civil Society organizations require resources to be able to attain their goals. Since they are often confronted with limited resources, some resort to donor support and investments in other alternative revenue generation projects so as to generate the requisite funds to assist in goals attainment. Too often, incomes from these alternative revenue generation units are not tax exempt but to what extent are these disclosed?

Plethora of empirical literature identify CSOs/CFs in Western nations to resource dependent deepening further calls for charity organizations to engage in rigorous disclosures so as to attract the needed resources from donor agencies (Preuss, 2013).

According to the theorist, the economic model has been used and adopted by firms to enable these firms to know strategic available resources in the firm. The emphasis of the theory is that it offers the foundation for the company's strategic benefits, which are focused largely on the allocation of accumulated bundled capital to the business at any point in time. Hence, in order to turn a short-run competitive advantage into a sustainable competitive benefit, some type of resource heterogeneity which is not entirely mobile should operate (Preuss, 2013). According to the author, in an efficient way, this changes valuable resources that neither wholly imitable nor replaceable without great efforts.

The theory centered on certain core areas such as business characteristics and details, resource accessible to the organization, employee expertise level and governance. These discover priceless resources managed by the company that assists them in implementing strategies or policies that improve the efficiency and effectiveness of the firms involved (Miles, 2010).

The theory under review, explains that priceless resources are mostly managed by the firm in question to enhance its efforts to improve its contributions in attaining competitive gain in the industrial setting (Islam & Siwari, 2013). Islam et al., (2013) once said that the condition of the environment within which the firm is situated may affect the sustainable competitive gains of the firms. The authors were of the view that firms that control and manage the varying environmental elements can attain or produce competitive gains in the direction of performance of employees.

The resource dependent theory is deemed apt for the study since CSOs require resources to be able to achieve their lofty goals and ensuring efficient management of these resources.

2.2 Conceptual Review

Conceptual review encapsulates the concepts such as taxation, tax exemptions, Civil Society Organizations (CSOs) etc.

2.2.1 Taxation and tax exemptions

Agalga (2015) defined tax as mandatory levies by public institutions enshrined with tax jurisdiction, to defray the cost of developmental projects, policies and programs. Taxation thus entails sovereign right of a country to transfer resources from private to public use so as to attain economic stability.

Tax exemptions are thus incentives or concessions granted wholly or partially to institutions base on the nature of business, jurisdictions and time period.

2.2.2 Civil Society Organizations (CSOs)

These are organizations registered with the core mandate of executing public policy, supporting social issues or for charitable purposes. Ghana has array of CSOs that have actively contributed towards ensuring democratic governance in the country. CSOs may take diverse forms such as: Community groupings, NGOs, Labour and Trade unions, international charitable organizations, religious organizations, professional bodies etc.

Examples of such CSOs are: IMANI Africa, Youth Without Borders (YWB)-Ghana, Action Aid, CHAG, Mastercard foundation, Oxfam GB, CARE International, T-TEL, Amnesty International etc.

2.2.3 Abuses of Tax-Exempt Status

For several decades now, extant literature has identified most CSOs of abusing the exemptions granted them through information asymmetry and unwillingness to declare income from all sources (Kassem, Aljuaid, Alotaibi, & Ghozy, 2020).

The two forms of abuses are charitable contribution deductions and the use of an exempt entity in income splitting among related parties (Agalga, 2015).

Kassem et al., (2020) found that 19% of their pooled sample of CFs misreported their taxable income by overstating their taxable expenses by an average of 30 percent.

2.2.4 Ghana's Tax Position of Charitable Organization

The Income Tax Act, 2015 (Act 896) under Section 97, vests the authority to grant approval to an entity as a "Charitable Organization" for income tax purposes in the Commissioner-General of the Ghana Revenue Authority (GRA).

2.2.4.1 Qualification as a Charitable Organization

2.2.4.1.1 Establishment

To qualify for consideration by the Commissioner-General as a Charitable Organization, an entity must be appropriately registered by the relevant public Agency (e. g. Registrar-Generals Department, Department of Social Welfare, Ministry of Youth and Sports, Environmental Protection Agency etc.) and must be established to operate as a:

- i. Charitable institution of a public nature;
- ii. Religious institution of a public nature;
- iii. Body of persons formed for the purpose of promoting social activities or sporting activities; or
- iv. Registered sporting club.

In effect the objects of the entity must include, but not limited to provision of service to, or conferring of benefits on an identifiable community or body or a section thereof with equal access to all intended beneficiaries.

2.2.4.1.2 Constitution and Prohibitions

An entity that seeks the approval of the Commissioner-General as a Charitable Organization must have a written constitution with express provisions that prohibit the entity from:

- i. Engaging in a political party activity, supporting a political party or using its platform to engage in party politics;
- ii. Any function other than those that the entity is established to operate; and
- iii. Conferring a private benefit on any person other than a benefit that is in pursuit of a function for which the entity is established

2.2.4.1.3 "Public Nature"

An entity shall be regarded as being of "public nature" where, by its activities and operations, the entity

- i. is open or accessible to the general public or a section of the public; and
- ii. Does not confer a private benefit on any person other than in pursuit of a function or activity that is in line with the objects of the entity.

The activities of the entity should not directly or indirectly be to the private benefit of the owner(s) or associates of the owner(s). The resources and income generated by the entity should not be assigned to, or distributed among the owner(s) or their associates. However, persons who earn income from their employment as employees of the entity are not regarded as receiving a private benefit from the activities of the entity.

2.2.5 Exemption from income tax

The income accruing to or derived by a charitable organization is exempt from tax. However, the exemption from tax does not apply to business income accruing to or derived by the charitable organization.

Thus income that accrues to or is derived by a charitable organization from any activity that is in the nature of income from business as provided under section 5 of the Act is subject to tax in accordance with the provisions of the Act.

2.2.6 Taxable income of a charitable organization

Below are examples of incomes of a Charitable Organization that are subject to tax under the Act.

Income derived from engagement in business activities including:

- i. Disposal of assets;
- ii. Sale of goods;
- iii. Provision of Services (such as hiring of venue and facilities)
- iv. Selling of in-house expertise to interested persons (e.g. publishing, training and consultancy);
- v. Operation of a Bookshop
- vi. Operation of commercial transport, etc.

2.2.7 Procedure for approval as a charitable organization

An entity seeking the approval of the Commissioner-General is required to:

- i. Submit a written application to Commissioner-General for approval in the form provided by the Commissioner-General as specified in Appendix I attached.
- ii. Attach to the application, the constitution of the entity which clearly spells out the specified prohibitions.

The Commissioner-General on being satisfied that an applicant meets all requirements for consideration as a Charitable Organization, shall issue a Notice of Approval as a Charitable Organization to the entity. The approval shall be for a specified period and may be renewable in accordance with the terms and conditions specified by the Commissioner-General in the Notice of Approval.

2.2.8 Revocation

The Commissioner-General may for a good cause, or for contravention of any required condition, revoke an approval as a Charitable Organization granted to an entity. Revocation of approval as a Charitable Organization may be for reasons including, but not limited to the following:

- i. Engaging in party political activities including offering a platform for such activities
- ii. Engaging in functions and activities that extend beyond the agreed scope upon which the approval was granted
- iii. Conferring private benefits to the owners and their associates other than in furtherance of the objects of the entity
- iv. Improper and (or) inappropriate behaviour including fraud, deceit
- v. Misrepresentation and non-compliance with other provisions of the tax laws.

2.2.9 Approval of charitable organization (Section 97 of Act 896)

1. The Commissioner-General may approve an entity as a charitable organization for the purposes of this Act.
2. The Commissioner General shall, before approving an entity under subsection (1), ensure that

(a) the entity is established to operate as

- i. charitable institution which is of a public nature;
- ii. a religious institution which is of a public nature;
- iii. a body of persons formed for the purpose of promoting social activities or sporting activities; or
- iv. a registered spotting dub; and

(b) the entity has a written constitution that prohibits that entity from

- i. engaging in a party political activity, supporting a political party or using its platform to engage in party politics;
 - ii. function other than those specified in paragraph (a)-and
 - iii. Conferring a private benefit, other than in pursuit of a function of die entity specified in paragraph (a).
3. The Commissioner-General may for good cause or for the contravention of a requirement, specified in subsection (2), revoke an approval granted under subsection (1).
 4. The income accruing to or derived by a charitable organization is exempt from tax.
 5. Subsection (4) does not apply to the business income of the charitable organization.
 6. The Minister may, by legislative instrument, make Regulations for the effective implementation of this section.

2.3 Empirical Review

Cheng (2021) posits that tax exemptions to CSOs are far better than granting tax credits as it cushions them to achieve their goals. Thus, tax exemptions are indications that governments have taken responsibility for the operations of CSOs which helps in attracting investment from external sources.

Kassem et al., (2020) found no association between tax exemptions to CSOs on revenue mobilization targets since governments do not budget them in policy decisions.

Agustin (2021) opined that CFs need tax exemptions since their motive is not profit making even though incomes from other legit sources must be subject to tax so as raise the needed tax revenue to create an enabling environment.

III. METHODOLOGY

3.1 Research Design

A descriptive research design particularly a quantitative case study will be adopted for the conduct of this study. Descriptive research is gathering facts from a sample population to establish the existing status of respondents regarding the variables (Rono, 2017). A case study is an appropriate research design when you want to gain concrete, contextual, in-depth knowledge about a specific real-world subject. It allows you to explore the key characteristics, meanings, and implications of the case.

3.2 Population and Sampling

Population connotes a cluster of individuals drawn from an overall segment who depict similar attributes like gender, age etc (Creswell,2017). With regard to the current study, the population of the study comprises 350 participants selected from CSOs in Ghana.

Random sampling shall be used in the study because each participant has equal chance of being selected.

3.3 Sample size

Sample size encompasses selection of a part from the overall population (Creswell, 2017). In the current study, 240 respondents shall be chosen from selected Civil Society Organizations in Ghana.

Table 3.1 Sample size from selected CSOs in Ghana

CSO's Coded	Population	Sample selected	% of Sample selected
I.A	50	30	0.13
YW	15	15	0.06
AAG	25	10	0.04
A.I	60	40	0.17
MCF	70	45	0.19
CHAG	100	65	0.27
AASU	40	35	0.15
TOTAL	350	240	100

Source: Authors' construct, (2021)

3.4 Data collection methods

Data collection entails gathering data using well designed or organized research instruments. Data collection methods are thus the techniques and skill of gathering the required data for a given study (Creswell, 2017).

Data collected for a given study could take the form of primary or secondary sources. Primary sources of data are obtained directly from the research participants or units in its original form whilst secondary data is extracted from articles, journals or textbooks.

This case study uses primary data in the form of questionnaire. Questionnaires are widely regarded as the most apt source of primary data since respondents have the laxity of time and comfort to respond as and when apt (Nardi 2018).

3.5 Data analysis

Here, analysis of data usually denotes the idea of making meaning out of data. This involves some kind of data preparation, getting in deeper and deeper to understand the data, organize the data and make interpretations and inferences based on the data available processed. In a study by Wilson (2006), processing data forms the backbone of research reports.

Analysis of data shall be executed with the aid of statistical tools especially Statistical Product and Service Solutions (SPSS) software version 26.

IV. ANALYSIS AND PRESENTATION OF FINDINGS

Table 4.1 depicts the descriptive statistics of the study. 84% (202) of the respondents were between the ages of 31-41 years, 10% (24) were aged above 41 years while 6% (14) of the respondents aged between 20-30 years.

Additionally, 63% of the respondents had worked in their respective organizations between 11-20 years, representing 150 respondents. 25% (60) of them had worked between 21-30 years. A little over 8% (20) had worked between 1-10 years while only 4%(10) worked above years.

Furthermore, 83% (200) of the respondents worked in Civil Society organizations, 13% (30) worked at Ghana Revenue Authority, 1% (2) worked at the Ministry of Finance, 3% (8) worked as government. Data was fairly distributed across the respective organizations of interest with dominance in the CSOs.

More so, with respect to educational qualifications of respondents, 220 of the respondents, representing 91% had tertiary or professional qualifications,18 of the respondents representing 9% had either primary, JHS or SHS qualification and a little over 1% of the respondents had never been to school.

Lastly, 220 of the respondents were serving at management level in their respective organizations. This represents 92% while only 20 of the respondents were junior staff, representing 8%.

Table 4.1: Descriptive statistics

Description	N	Percentage
Participants' age		
20-30	14	6
31-41	202	84
Above 41	24	10
Total	240	100
Number of years working with organization?		
1- 10	20	8
11-20	150	63
21-30	60	25
Above 30	10	4
Total	240	100
Institution of respondent?		
Civil Society Organization	200	83
Ghana Revenue Authority	30	13
Ministry of Finance	2	1
Government official	8	3
Total	240	100

Educational qualification		
Uneducated	2	1
Primary/JHS/SHS	18	8
Tertiary/Professional	220	91
Total	240	100
Rank within organization		
Management level	220	92
Jnr staff	20	8
Total	240	100

Source: Authors' Construct (2021)

4.1 Impact of tax exemptions on revenue mobilization

With respect to the assertion that tax exemptions should be extended to CSOs beyond just corporate taxes, 210 of the respondents strongly disagreed with the statement and this represents 88%. This is consonance with section 97 of the Income Tax Act 2015 (Act 896) which limits tax exemptions to charitable organizations to only corporate taxes since these organizations are non-profit oriented. The implication of section 97 of Act 896 means that Civil Society Organizations pay all forms of direct and indirect taxes with the exception of corporate tax. Taxes on employees' income, withholding taxes, VAT etc are all paid by CSOs. However, if CSOs engage in other business related activities for which income is earned, such business income must be subject to tax. A typical case is when a CSO operates a restaurant or transport business, such incomes must be subject to tax. However, 21 (9%) of the respondents strongly agreed that tax exemptions to CSOs should be broadened beyond just corporate taxes while 9 (4%) of the respondents were neutral.

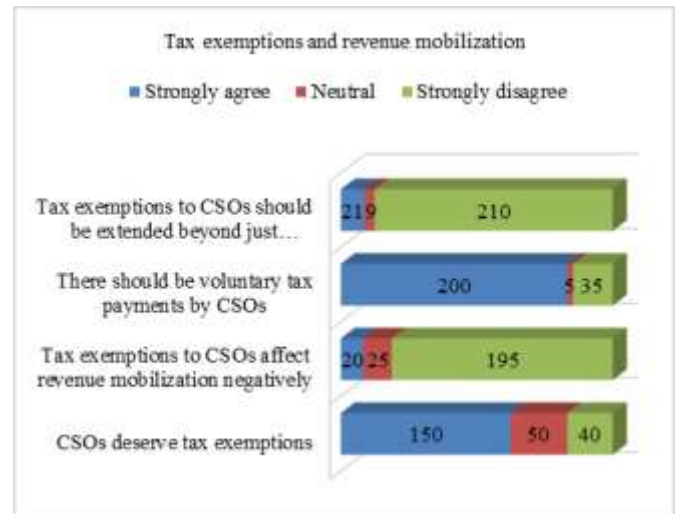
Additionally, 200 of the respondents, representing 83% strongly agreed with the assertion that there should be voluntary tax compliance by CSOs. This means that the current practice where some CSOs will classify business incomes as tax exempt because it is earned by a CSO should be curbed. Such avoidance and evasive practices should not be encouraged since CSOs already enjoy corporate tax exemptions. Nonetheless, 5 (2%) of the respondents were neutral while 35 (15%) strongly disagreed with the statement.

Furthermore, 195 of the respondents strongly disagreed that tax exemptions to CSOs negatively affected revenue mobilization. This represents 81% response rate. Much as this appears surprising, it represents the reality because, the exemptions only affect corporate taxes of CSOs and because statutory provisions are made for corporate tax exemptions specifically section 97 of Act 896, government budgets do not factor revenues from CSOs hence, its impact on revenue mobilization is not entirely felt. However, 20(8%) and 25 (10%) of the respondents strongly agreed and remained neutral respectively.

More so, as regards the assertion whether or not CSOs deserve tax exemptions, 150 of the respondents (63%) strongly agreed that CSOs deserved corporate tax exemptions so as to cushion

them financially to be able to focus on their mandate which is not often profit oriented, 50 (21%) of the respondents were neutral as regards to the statement while 40 (17%) strongly disagreed with the assertion.

Figure 4.1 Impact of tax exemptions on revenue mobilization



Source: Field data (July, 2021)

4.2 Benefits government derives from tax exemptions to CSOs.

Civil Society Organizations play crucial role towards the socio-economic development of every country through advocacy, public education and research. Against this backdrop, 230 (96%) of the respondents strongly agreed with the assertion that CSOs help governments to fight corruption through advocacy and accountability, 4 (2%) were neutral and 6 (2%) strongly disagreed with the statement respectively. This forms the justification for tax exemptions to CSOs and the benefit governments or countries derive from such exemptions. This finding of 96% is in conformity with , a study in Guatemala which analyzed how the instituto centroamericano de estudios fiscales (ICEFI), a widely acclaimed think- tank used the impact of major corruption scandals to introduce new legislation to fight the menace.

Secondly, 89 of the respondents depicting 37% strongly disagreed that CSOs provide employment opportunities to the citizenry hence, should be exempted from corporate taxes. Perhaps, other organizations equally provide employment to the populace but are still taxed. 80 (33%) and 71 (30%) strongly agreed and were neutral respectively.

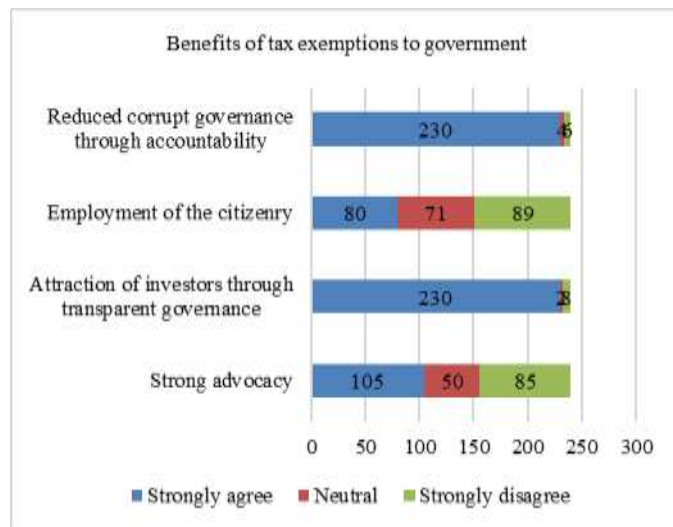
Thirdly, 230 of the respondents strongly agreed that government benefits from exemptions to CSOs through attraction of investors into the country. This represents 96% response rate and confirms that investors are attracted by transparent governance structures to ensure their investments are not lost through corruption and CSOs have since championed transparent governance through advocacy and civil disobedience like demonstrations as witnessed yesterday dated 4th August, 2021 by the *fix the country* demonstration. 2 (1%) and 8 (3%) were neutral and strongly

disagreed respectively. This finding corroborates with Cheng (2021) who posited that tax exemptions to CSOs are far better than granting tax credits as it enables them to attain their goals. Cheng (2021) furthered that, tax exemptions show that governments have taken full responsibility towards the operations of CSOs which helps in attracting investment from external sources.

Furthermore, 105 (44%) strongly agreed that government benefits from CSOs' operations by way of strong advocacy. Depending on the government in power, this is often perceived as a threat other than a benefit, 50 (21%) were neutral while 85 (35%) strong disagreed with the statement.

Results of the findings are presented in figure 4.3

Figure 4.3 Benefits of tax exemptions to CSOs by government



Source: Field Data (July,2021)

V. SUMMARY OF FINDINGS

The findings are summarized as follows:

5.1 88% response rate strongly disagreed that tax exemptions to CSOs should be broadened beyond just corporate taxes as currently entails in section 97 of Act 896.

5.2 100% of the respondents strongly agreed that business incomes of CSOs should be subject to tax. This is in conformity with section 97 of the Income Tax Act 2015 (Act 896) which stipulates that any other income from business earned by a CSO must be subject to tax.

5.3 Response rate of 100% also showed that CSOs are already paying taxes directly and indirectly except corporate tax.

5.4 96% response rate strongly agreed that there is a symbiotic relationship between tax exemptions to CSOs by government since CSOs help to attract investors into the economy through advocacy for transparent and accountable government structures

5.5 81% of the respondents disagreed that tax exemptions to CSOs negatively affected revenue mobilization.

5.2 Recommendations

In line with the above findings, the researcher recommends that:

5.2.1 The current tax exemption to CSOs which covers only corporate taxes should be maintained since it has no negative impact on revenue mobilization and to help build a more resilient civil society organization.

5.2.2 Civil Society Organizations should be encouraged to continue to pay all forms of taxes as currently practiced except corporate taxes

5.2.3 CSOs should not just concentrate on negative publicity of government but rather constructive advocacy so as to attract foreign direct investments into the country to justify the corporate tax exemptions granted to them.

5.3 Conclusion

Against the backdrop of the above, the researcher concludes that:

5.3.1 Tax exemptions to CSOs do not negatively affect revenue mobilization

5.3.2 Voluntary tax compliance as regards business incomes should be encouraged among CSOs since they are already enjoying corporate tax exemptions

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