

REVENUE WATCH

Revenue Watch is a monthly publication of the Communication, Media & Public Affairs Section of the Liberia Revenue Authority

TAX DUE DATES

PERSONAL INCOME TAX
Withholdings on wages and salaries; Due on or before the 10th day of the following month. Covers: Employers

CONTRACT SERVICES
Withholding on Services Rendered - Due on or before the 10th day of the following month. Covers: Contractors

GOODS AND SERVICES TAX (7%-15%) - Due on or before the 21st day of the following month. Covers: Restaurants, Hotels, Car Renters, Telecommunications communication companies and Manufacturers

EXCISE TAX: Due on or before the 21st day of the following month. Covers: Producers and sellers of alcoholic and non-alcoholic beverages.

PRESUMPTIVE TAX (4%)
Due on or before 15 days after each quarter (i.e., 1st quarter payment is due April 15th) Covers: Small business whose gross annual sales are \$L\$ 200,000 - L\$3,000,000

BUSINESS INCOME TAX (2%). Covers: All medium and large taxpayers with gross sales above L\$3,000,000

Advance Payment on BUSINESS INCOME TAX (2%) Covers: All medium and large taxpayers with gross sales above L\$3,000,000

REAL ESTATE TAX Due between January 1st and July 1st. Covers: All land and property owners

INCOME TAX RETURN (Filing and Payment) Due on or before March 31st of each calendar year

Stakeholders Recommend Ways To Increase Domestic Revenue

As LRA Validates National Strategy



The Liberia Revenue Authority (LRA) in May held the final in a series of two national validation of the country's draft Domestic Resource Mobilization (DRM) Strategy, with stakeholders proposing key recommendations.

In a bid to review and solicit inputs in the draft Strategy, the LRA in collaboration with the Ministry of Finance and Development Planning (MFDP), supported by the Integrated Public Financial Management Reform Program-II, held a two-day validation exercise with stakeholders from five counties in Gbarnga, Bong County.

Participants of the Gbarnga event were drawn from Bong, Nimba, Margibi, Lofa and Gbarpolu Counties. The first event which took place in Buchanan City three weeks ago brought together over 100 participants from Grand Bassa, Grand Kru, River Gee, Rivercess, Sinoe, Maryland, Grand Gedeh, Bomi, Monterrado and Grand Cape Mount Counties.

Participants included local officials, members of the business community, representatives of the civil society and non-governmental organizations.

The event gathered stakeholders' inputs about strategic options proffered in the draft DRM strategy, and sought to build consensus at the local level on the way forward for domestic resource mobilization for Liberia.

At the Gbarnga DRM Strategy review, the stakeholders recommended vital improvement in

Liberia's trade and industry sector so as to enhance revenue collection and facilitate national development.

They named the agricultural, fishery, tourism, financial, transport, and the telecommunications sectors, among others, as key areas needed to be prioritized by government in strengthening the country's economy and holistically advance economic growth.

The stakeholders believe that government must also take the lead role in promoting the diversification of the economic through the formulation of proactive and sustainable programs to stimulate production so as to achieve the quest of increasing the tax net.

They described diversification of the economy as a very important pillar which will bring about more trade and investment opportunities. They specifically mentioned the introduction of mechanized farming and manufacturing, which they said will boost revenue collection and domestic resource mobilization.

The DRM validation exercise was the result of four regional dialogues, which culminated into a National Revenue Symposium held in June 2017 on domestic resource mobilization, during which a document inclusive of plans and ideas on how to initiate a domestic resource mobilization strategy for Liberia was formulated.



LRA Staff, Others Trained In Customs & Trade Facilitation

Twenty-One staffers of the Liberia Revenue Authority (LRA), mainly Customs Officers, and private sector partners working in the areas of logistics and supply chain management, were awarded professional certificates in Customs and Trade Facilitation in May.

The recognition followed a weeklong training course in Monrovia focusing on building effective and efficient supply chains, efficient customs procedures, and supply chain partnerships.

It was aimed at creating trade opportunities to facilitate revenue collection.

The Customs and Logistics training conducted by experts from evofenedex and STC-NESTRA was funded by the Dutch Ministry of Foreign Affairs.

The initiative was part of massive efforts to boost the transformation and modernization of the LRA and at the same strengthen

cooperation with partner institutions in the private sector as a means of augmenting domestic resource mobilization.

Speaking when she presented certificates to the participants, LRA Commissioner General Elfrieda Stewart Tamba praised the government and people of Netherland for the vital support to the LRA.

"We are very grateful to the government of Netherland and taxpayers for supporting this effort which plays a key role in helping to attain our transformation and modernization agenda," CG Tamba noted.

She underscored the importance of the training as an essential component which links to the implementation of LRA's cooperate strategic and business plans as well as its strategic goal and employees' professional development.

Netherland Ambassador to Liberia Ron

Strikker, in remarks, described customs and logistics operations as key for adequate port management in realizing effective domestic resource mobilization.

He said effective port management is an essential fundamental pillar for economic growth, but indicated that said drive must be supported by good logistical systems and transparent customs handling.

Ambassador Strikker assured that the Dutch Government remains supportive of Liberia's developmental drive.

The Customs and Trade Facilitation training was the first in a series of training activities supported by the Dutch Government, being implemented in phases.

LRA Prepares Judges, Lawyers For Transfer Pricing Cases

In late May, the LRA held a two-day workshop at the Temple of Justice to enlighten lawyers and judges on transfer pricing, and related cases that often exist, and how they could help in prosecuting such cases.

Transfer Pricing is the transfer of prices between subsidiaries and parent companies in their interaction of goods, services and intangibles across national boundaries.

These transactions include the import and export of products, raw materials, capital equipment, technology, patents, copyrights, management fees and inter affiliate financing.

The May 29-30, 2018 training, organized by the LRA in collaboration with the James A. A. Pierre Judicial Institute, sought to enhance the knowledge of participants about basic

techniques in handling cases of transfer pricing and tax evasion.

The two-day training on Capitol Hill was supported by the World Bank as part of ongoing efforts to strengthen the capacity of Liberian judiciary in adjudicating transfer pricing cases. Similar training was held in April 2017.

Speaking at the opening of the training, LRA Assistant Commissioner for Large Tax Andre Pope, reminded judicial officials of their national obligations to protect Liberia's tax revenue by fully applying transfer pricing regulations.

He said Liberia has taken a huge step by introducing transfer pricing filing for companies, and needs to be supported by all stakeholders including judicial officials.

According to Assistant Commissioner Pope, by curtailing tax fraud, more revenue can be collected to support government's pro poor agenda.

Chief Justice Francis Korkpor urged participating lawyers and judges to take interest in the training and ensure that materials presented are fully captured by them.

He said the training will better prepared the judicial officials in properly handling cases of tax crimes and transfer pricing.

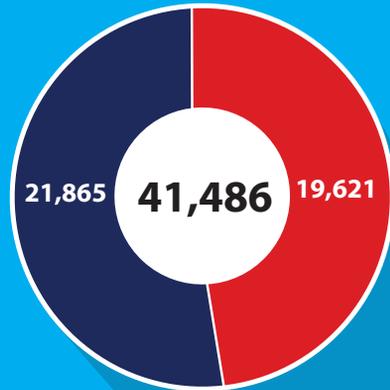
Chief Justice Korkpor, encouraged the LRA to continue the engagement with judicial officials through training and information sharing.

R E V E N U E

P E R F O R M A N C E

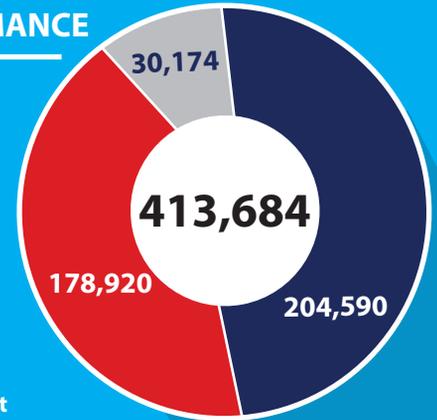
MONTHLY UPDATE

MAY REVENUE OUTTURN



- Domestic Tax Department
- Customs Department

YTD-DOMESTIC REVENUE PERFORMANCE



- External Resources
- Domestic Tax Department
- Customs Department

Gross total outturn for the month of May 2018 is US\$41.486 million. The total revenue outturn for May include US\$5.734 million Direct Transfer Payment in transit to the Tax Administration System. The outturn realized against the monthly target of US\$34.687 million, registered US\$6.799 million over performance. The total revenue outturn for the month represent 100 percent domestic revenue. In terms of contribution according to the GFS (Government Finance Statistics) Structure, the monthly outturn account for 100 percent domestic revenue, while external resource remain zilch respectively. In terms of administrative or operational departments, Domestic Tax Department contributed 53 percent, while Customs Department contributed 47 percent of the total May outturn. The below figure summarizes the monthly outturn for May.

The year to date gross outturn (July-May 2018) was US\$428.221 million. However, of the total outturn US\$11.344 million and US\$3.193 million were obligations for last fiscal year (FY16/17) but actualized in the current fiscal year (FY17/18). The current outturn year to date is US\$413.684 million. The current outturn, against a target of US\$404.494 million, registered an increase of US\$9.190 million or 2 percent. When compared to the same period last fiscal year, total outturn for FY17/18 declined by US\$ 61.568 million, due to a decline of US\$ 31.862 million in external resources

and US\$29.796 million in domestic revenue respectively. Domestic Tax Department accounted for US\$204.590 million, representing 47 and 53 percent of total and domestic revenue respectively. On the other hand, Customs Department accounted for US\$178.920 million, representing 43 and 47 percent of total and domestic revenue respectively. External resources realized to date was US\$30.174 million or 7 percent of the total outturn. The below figure summarizes the year to date outturn as at May 31.



LRA EXTENDS REAL ESTATE AWARENESS TO SUPREME COURT

As part of ongoing efforts to educate taxpayers employed with Government ministries and agencies, the LRA in May extended its awareness on Real Property Tax to the Judiciary Branch of Government.

During the engagement, the LRA Real Estate team led by Assistant Commissioner Isaac Beyan Stevens met with Chief Justice Francis Korkpor and briefed him on matters relating to real estate taxes and its importance to meeting the revenue targets.

Chief Justice Korkpor welcomed the May 1 initiative and fully embraced the work of the LRA in its revenue collection activities.

During an awareness session with judges, Assistant Commissioner Stevens encouraged judges to take advantage of the opportunity and serve as resource persons for the dissemination of information on real estate tax payment processes and procedures in their respective jurisdictions. Real estate taxes are paid annually between January 1 and June 30.

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WCO Conducts Disaster Preparedness Training For LRA And Partners

The World Customs Organization (WCO) through its Customs for Relief of Epidemic Diseases (C-RED) Project in early May conducted a four-day training for Customs officers of the Liberia Revenue Authority (LRA) as well as partners working on relief projects.

The WCO C-RED Project is intended to assist Customs Administrations in West Africa to be better prepared to minimize the effects of regional epidemic diseases and natural disasters.

The project provides capacity building support to the beneficiary Customs Administrations (LRA being one of them) to develop mechanisms, based on international best practices that guide the release of relief goods in case of the outbreak of a regional epidemic disease or a natural disaster, through national preparedness and regional cooperation.

In order to do so, the project fosters regional experience-sharing based on experiences from the Ebola crisis as well as national support in the development and implementation of Standard Operating Procedure (SOPs) for the priority release of relief goods.

The training which ran from May 1-4 took place at the LRA headquarters and was facilitated by project staff of the WCO.

Participants brought together included representatives from the Ministry of Health, the National Disaster Agency, WHO, UNICEF and corporate organizations.

Participants were taught the fundamentals and key strategies to develop SOPs which will serve as working documents for natural disaster management.

Speaking at the opening of the training, Customs Commissioner Saa Samoi welcomed the initiative, stating that it is important that customs operations are enhanced because during crisis and health emergencies customs activities encounter challenges.



Commissioner Samoi added that it is important to enhance the skills and knowledge of customs officers to be prepared when disasters occur.

Meanwhile, also speaking at the opening of the training, the lead facilitator and Project Manager of WCO- RED Project, Eve Gerard, said the training is part of WCO capacity development to strengthen customs activities in West Africa.

Ms. Gerard said it is important for the LRA to develop an SOP to enhance the operation of its customs activities in disasters periods.

She noted that key goal of the training is to provide support to Customs Administration in West Africa that were mainly affected by the Ebola crisis.



EDITORIAL TEAM

The REVENUE WATCH is a monthly publication of the Communication, Media and Public Affairs Section of the Liberia Revenue Authority

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