

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

LRA CERTIFIES & LICENSE 13 TAX PRACTITIONERS



Presentation of certificate by CG Tamba

As a means of strengthening the culture of Professional tax administration, the Liberia Revenue Authority has licensed thirteen Tax Professionals to practice before the LRA.

Tax practitioners are individuals who provide advice to taxpayers of any other person about the application of a tax Act; or who assists with the completion of a return for taxpayers.

The certification comes on the heels of a rigorous vetting process in line with set standards as stipulated in the Act establishing the LRA.

Section 7, 2(i) of the LRA Act empowers the Authority to license Tax Practitioners in the country.

The license will enable the practitioners to practice and adhere to professional standards and be legally recognized by the LRA as certified tax practitioners.

Speaking during the certification program on Tuesday (February

20) at LRA Headquarters in Paynesville, Commissioner General Elfrieda Stewart Tamba said the process was a significant mark of transformation and achievement for the Authority.

"The licensing of tax practitioners represents a major indicator and step towards our desire to strengthen and further professionalize the tax profession in Liberia," CG Tamba indicated.

She reaffirmed LRA's commitment to transform the tax administration in the country by putting in place adequate regulatory measures and the relevant policy framework to enhance the operations of tax practitioners in the country.

CG Tamba challenged licensed tax practitioners to uphold the standards of their profession by ensuring commitment and fairness in their dealings with clients and the tax authority.

She urged the practitioners to exhibit high level of transparency in the exercise of their professional activities in making

sure that government gets the requisite taxes from their clients, the taxpayers.

For his part, the President of the Liberia Institute of Tax Practitioners (LITP) Theo Joseph thanked the LRA for the certification and called on practitioners to uphold the value of transparency and accountability in the performance of their task.

"As private tax practitioners, we have a responsibility to our government and our clients to ensure that we balance the dual agendas we have to perform," he told his colleagues.

He encouraged other tax practitioners in the country to take advantage of the application process in order to obtain their licenses.

Mr. Joseph assured that the LITP will continue to collaborate with the LRA so as to foster the development of the country's tax administration sector.

LRA, AMEU Sign Agreement On Teaching Revenue Code



Dr. Joseph Isaac and CG Tamba

The Liberia Revenue Authority (LRA) and the African Methodist Episcopal University (AMEU) have signed an MoU to introduce the teaching of the Liberia Revenue Code (LRC) at the University.

The agreement seeks to incorporate the LRC in the academic curriculum of the University to ensure that students who graduate from there are schooled in the country's tax laws and policies. The LRC governs matters on taxation in Liberia.

Speaking at the signing ceremony on Wednesday (Feb 7), LRA Commissioner General Elfrieda Stewart Tamba described the partnership with the AMEU as a major boost for the enhancement of technical capacity development.

She noted that the signing of the agreement is in line with Goal 3 of the LRA 5-year Corporate Strategic Plan, which borders on building an effective tax administration. The MOU, CG Tamba said, signifies a vital milestone in seeking a better tax administration and enhancing domestic resource mobilization.

For his part, AMEU President Dr. Joseph Isaac welcomed the collaboration between the two institutions, indicating that the partnership would meaningfully contribute to strengthening capacities of expected tax experts.

He assured the commitment of AME University in ensuring the successful implementation of the MoU, which is expected to commence in September this year.

Modernizing Taxation, LRA Sets Up Tax Debt Management Division



Assistant Commissioner Lassana Kromah

debt stock owed the government of Liberia by taxpayers.

It will serve as a central coordinating unit for enforcement activities and debt management of the domestic tax and customs departments of the LRA as a means of supporting tax compliance to achieve greater efficiency and effectiveness in domestic revenue collection. According to Assistant Commissioner Lasana A. Kromah, Sr., head of the Tax Debt Management Division, the new establishment will also facilitate information sharing among departments; create a uniform organizational approach to

The Liberia Revenue Authority in an effort to enhance its tax governance system to ensure effective and efficient tax administration in Liberia, has formulated a tax debt management division.

The division established in August of 2017, is charged with the core duty to research, track, document and monitor levels of total tax

debt recovery and compliance and promote voluntary compliance by instituting measures that will render non-compliance inefficient, ineffective and unattractive.

The basis for tax debt recovery is backed by legislation in Section 12 subsection (a) (b) and (c) of the Liberia Revenue Code which speaks to the general rule, recovery of unpaid

tax and judgement of debt.

Assistant Commissioner Kromah said the division as part of its mandate will lead a comprehensive debt management strategy to maximize taxpayer's voluntary compliance level to pay their taxes in full and on time in line with the Revenue Code of Liberia.

He said another vital mandate of the Tax Debt Management Division is to make it easy as possible for taxpayers to comply with their payment obligations by improving its payment procedures and ensuring taxpayers have access to assistance whenever they need it.

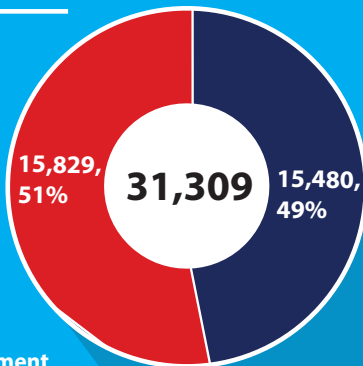
He announced plans to formulate new innovative ways to strengthen LRA enforcement capabilities to ensure that taxpayers who fail to pay their taxes are quickly detected and appropriate actions are taken to make them to meet their tax obligations.

"No matter how successful the Tax Authority will be in promoting voluntary compliance by taxpayers, there will always be a percentage of taxpayers who are unwilling or unable to pay their taxes in full and on time and this require some level of direct intervention to ensure they meet their payment obligations" Assistant Commissioner Kromah indicated.

REVENUE PERFORMANCE

MONTHLY UPDATE

FEBRUARY REVENUE OUTTURN



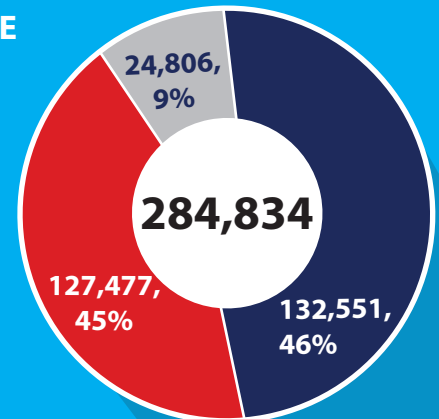
- External Resources
- Domestic Tax Department
- Customs Department

The gross revenue collections for the month of February 2018 were US\$23.758 million and LRD 945.779 million. The consolidated value at the average monthly rate of 125.25LRD/1USD is US\$31.309 million. This amount registered an over performance of US\$0.03 million, an equivalent of 0.01 percent against a target of US\$31.278 million.

Total collection for the month in the current fiscal year, when compared to the same period last fiscal year 16/17, domestic revenue dropped from US\$35.98 million to US\$31.31 million, an equivalent of US\$4.7 million or 13 percent. The drop in domestic revenue experience in the current

period is attributed to low revenue intake from LPRC Road Fund, GSM Licenses, Maritime Revenue, and non-remittance of dividends budget support from National Port Authority. Together they account for 60 percent of the total decline. In terms of the core revenue departments, Domestic Tax Department accounted for US\$10.269 million and LRD649.910 million, with consolidated value US\$15.480 million, representing 49 percent of the total collection while Customs department accounted for US\$ 14.489 million and LRD295.868 million, with consolidated value of US\$15.829 million, representing 51 percent of the total collection.

YTD-DOMESTIC REVENUE PERFORMANCE



- External Resources
- Domestic Tax Department
- Customs Department

The year to date gross revenue collections (July-February 2018) were US\$196.670million and LRD 11.106 billion. The consolidated monthly aggregate value is US\$299.371 million. However, of the total collection US\$11.344M and LRD359.304M were obligations for last fiscal year 16/17 but actualized in the current fiscal year. The current collections year to date are US\$ 184.369 million and LRD 11.620 billion. This includes World Bank International Development Association Grants US\$20.000M as advanced on the current fiscal year 2017/18. The consolidated value at the average change rate of 115.66LRD/1USD is US\$284.834 million, which against a target of US\$282.039 million, registered a surplus of US\$2.795 million or 0.99

percent. When compared to the same period of last fiscal period, a decline of US\$56.802 million, resulting from 6 percent in domestic revenue and 11 in external resources respectively. Domestic Tax Department accounted for US\$82.448 million and LRD 5.994 billion. The consolidated monthly aggregate value, US\$132.551 million was realized, representing 46.5 percent of the total collection. Customs Department accounted for US\$78.070 million and LRD 5.751 billion. The consolidated monthly aggregate value, US\$127.477 million was realized, representing 44.8 percent of the total collection. Total amount on account of External resources realized for the period was US\$24.806 million or 8.7 percent of the total collections to date.

15 Government Hospitals Benefit LRA Fuel Distribution



The Liberia Revenue Authority (LRA) has begun the distribution of fuel to 15 public hospitals across the country.

The donation is in line with the LRA's corporate social responsibility program.

The distribution is intended to support the hospitals to provide quality health services to the public, Commissioner General Elfrieda Stewart Tamba has said.

CG Tamba said though the donation is small in quantity, the LRA hopes that it will, in some way, contribute to the provision of services to those who attend these benefitting health facilities.

LRA Senior Collectors in each of the

counties will deliver the fuel coupons to the benefitting hospitals.

As part of the exercise, the LRA has also donated 50 gallons of fuel including other assorted food and non-food items to the Liberia School for the Blind.

It can be recalled that the LRA in 2016 similarly distributed 2,000 gallons of fuel to several hospital or health facilities in rural Liberia and Montserrado including JFK, Redemption, ELWA and Hope for Women Hospitals, among others.

The LRA assures the Liberian people that it is continuously aiming to serve Liberia better and will strive vigorously to collect the lawful revenues due mama Liberia and its people.

REVENUE WATCH

Grand Bassa Tops Revenue Collection By Counties

Grand Bassa County has emerged as the highest revenue collecting county for the second quarter of the 2017/18 fiscal period, according to the Liberia Revenue Authority (LRA) County Revenue Collection Report.

The LRA in the months of October, November and December (representing 2nd Quarter) collected a total of US\$1.7m from its rural Tax Business Offices (TBO) and Customs Business Offices (CBOs) in all 14 counties as well as rural Montserrado. The amount represents revenue received or collected exclusively in the counties through the LRA business offices.

Grand Bassa County contributed a total of US\$489,900 or 28.1% of gross receipts from the counties. Of the amount, US\$358,609 or 78% came from the TBO's while the remaining US\$131,290 came in from CBOs.

Grand Bassa is closely followed by Maryland County which maintained its position of second highest contributor from the last quarter. Maryland contributed US\$318,480 representing 18.3%, while Nimba which came first during the previous quarter fell to third, contributing US\$281,580 or 16.2%.

Margibi, Grand Cape Mount and Lofa Counties are in the 4th, 5th and 6th positions respectively with 158,267 (9.1%), 151,415 (8.7%) and 109,150 (6.3%) contributions. Bong, Grand Gedeh and Bomi follow correspondingly with 4.5%, 3.7% and 3.2% as the 7th, 8th and 9th highest contributors.

The County Revenue Collection Report is the segment of the revenue report that

Revenues Collected in the Counties

Counties	Tax	Customs	Total	Share
Grand Bassa	358,609	131,292	489,901	28.1%
Maryland	259,626	58,855	318,481	18.3%
Nimba	66,029	215,554	281,583	16.2%
Margibi	158,267	-	158,267	9.1%
Grand Cape Mount	98,233	53,182	151,415	8.7%
Lofa	16,780	92,374	109,154	6.3%
Bong	48,362	29,924	78,286	4.5%
Grand Gedeh	35,824	28,586	64,410	3.7%
Bomi	54,985	-	54,985	3.2%
Montserrado (Rural)	16,215	-	16,215	0.9%
Sinoe	10,517	-	10,517	0.6%
River Gee	3,947	-	3,947	0.2%
Rivercess	2,453	-	2,453	0.1%
Grand Kru	2,046	-	2,046	0.1%
Gbarpolu	1,796	-	1,796	0.1%
Total	1,133,690	609,767	1,743,457	100.0%

Liberia Revenue Authority

9

features the performance of the LRA rural Tax and Customs Business Offices.

Rural Tax Business Offices are all TBO's located outside of Montserrado County, with the exception of Bensonville TBO, which, though located in Montserrado County, is considered a rural TBO.

Rural Customs Business Offices are all Customs borders and ports located outside of Montserrado and Margibi Counties. This means that revenues from Freeport, LPRC and RIA (Margibi) are not

included in the County Revenue Collection Report.

The essence of this classification is to facilitate cross-sectional comparison among the counties to show their true economic potential.

Meanwhile, gross domestic revenues collected in the Second Quarter of FY 2017/18 was US\$89.1m. Of this amount, total collection from the counties amounted to US\$1.7m or 1.9% while the LRA Headquarters and other urban stations contributed US\$87.4m or 98.1%.

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