

# REVENUE WATCH

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

## 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

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

**Advance Payment on CORPORATE 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

- CORPORATE INCOME TAX
- PERSONAL INCOME TAX

Covers: All businesses and persons earning income from Liberia



## Expanding Revenue Net

LRA Launches Real Estate Community Partnership Project

The Liberia Revenue Authority (LRA), as part of means of enhancing revenue collection and boosting domestic resource mobilization, has officially launched its Real Estate Community Partnership project in Montserrado.

The project, a pilot, seeks to broaden the real property tax base through a robust tax payers' awareness, education and outreach including stakeholders' engagement campaigns. The first phase targets 17- electoral districts in Montserrado County including 7 cities, one borough and 21 townships.

Speaking at the launch on March 27, 2017, LRA Commissioner General Elfrieda Stewart Tamba said the ultimate goal of the project is to increase collection of lawful revenue largely from voluntary compliance through grass-roots community engagements nationwide.

The LRA hired and trained over 200 foot-soldiers for deployment to educate communities on voluntary compliance measures of real estate tax payment.

## LRA Accepting Taxes In USD and LD Currencies

The Liberia Revenue Authority (LRA) says taxpayers are at liberty to pay their taxes in both Liberian and United States dollar currencies.

LRA Commissioner General Elfrieda Stewart Tamba, addressing the Ministry of Information weekly press conference early March 2017 stated that the basis for collecting taxes in both

currencies are provided for under the law.

Legal basis for collecting revenues in Liberian Dollars are coined in the Public Financial Management Act and the Liberia Revenue Code, CG Tamba said.

The Commissioner General said taxes paid in Liberian dollars will be done so at the prevailing exchange rate as

published by the Central Bank of Liberia.

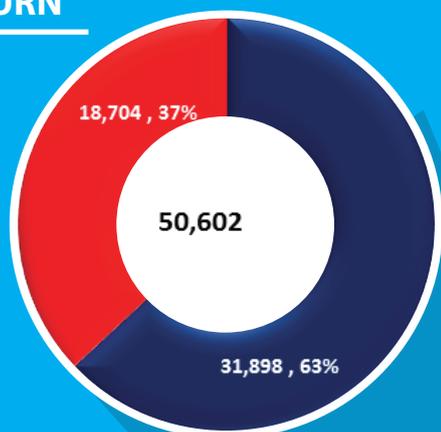
Pursuant to Section 6(c) of the Liberia Revenue Code, "Except as otherwise provided by this Code, when it is necessary to translate foreign currency into Liberian or US dollars, or US dollars into Liberian dollars, the exchange rate shall be the applicable buying rate published by the Central Bank".

# R E V E N U E

# P E R F O R M A N C E

MONTHLY UPDATE

## MARCH REVENUE OUTTURN



■ Domestic Tax Department ■ Customs Department

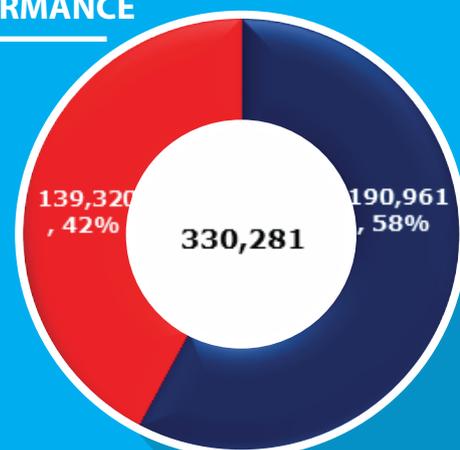
The gross total revenue outturn for the month of March was US\$ 50.60M.

This amount was above forecast of US\$ 44.13M by US\$ 6.46M or 15%. This amount represent 12.9% of the total revenue generated to date and 15.3% of domestic revenue.

Domestic Tax Department accounted for US\$ 31.89M or

63% of which Petroleum Surcharge (LPRC Storage Fees) accounted for US\$ 8.5M or 27%. Domestic Tax Department's outturn of US\$ 18.7M. There was no receipt from external sources for the period under review. See table and graphical perspective below for details.

## YTD-DOMESTIC REVENUE PERFORMANCE



■ Domestic Tax Department ■ Customs Department

The year to date perspective of Domestic Revenue shows that we have actualized US\$ 330.3M or 62% of the US\$ 529.9M Approval forecast after exhausting 75% of the fiscal year.

Balance to be collected in order to realize target is US\$

199.7M of which Domestic Tax Department account for US\$ 122.4 or 62.3% and Customs account for US\$ 77.2M or 38.7%. Given the current status of the Economy the LRA will not collect this, notwithstanding its efforts in mobilizing organic growth.

## LRA Accepting Taxes In USD and LD Currencies

➤ Cont'd from Cover Pages

Section 6(a) of the code further states that, "If payment is made in US dollars, the amount due in Liberian dollars is to be translated into US dollars at the market rate of exchange published by the Central Bank in effect on the day payment is made."

The Commissioner General revealed that the LRA has been collecting revenues over the years in Liberian dollars on an incremental level, indicating that gross domestic revenues collected in Liberia Dollars has grown 5.4 times, from \$1.2b in FY 2010/2011 to L\$7.8b in FY 2015/16.

Meanwhile, in its quest to improve service delivery, increase voluntary compliance and protect national revenues, the Commissioner General disclosed that LRA is expected to begin

a new tax payment regime in April that will ease tax payment and reduce revenue fraud.

This means that taxpayers will directly instruct banks to transfer from their bank accounts to the Government of Liberia's Account at the Central Bank of Liberia (CBL) through a transitory account at the commercial bank.

The initiative is intended to ensure that taxpayers will not only pay but also trace all payments for taxes from their accounts. This tax payment scheme, however, does not apply to payment of customs duties and it related taxes. "This form of payment of taxes is a change from manual process of making payments by manager's check and cash to the LRA and CBL to electronic payment mechanisms," Mrs Tamba told

the press conference.

The Commissioner General highlighted several reform initiatives embarked upon by the LRA including e-filing, paying taxes through mobile money and several others.

The initiatives, the CG noted, will reduce the risk of fraud, reduction in costs associated with banking of taxes collected and printing of security featured treasury receipts, increased efficiency in tax collection operations as a result of de-congested Revenue Halls.

CG Tamba says the LRA remains committed to improving the environment of paying taxes, and this quest to improving the system remains persistent.

# Domestic Tax Inspects Construction Sites To Enforce Tax Compliance

The Liberia Revenue Authority (LRA), through its Domestic Tax Department (DTD) in March commenced the inspection of ongoing construction sites and projects in Montserrado County as part of efforts to enforce real property and other related tax compliance.

The process which commenced on March 28 with the deployment of on-the-site inspection teams will significantly help to curtail tax avoidance by construction contractors and real property owners.

The teams conducting the exercise comprises of representatives from the LRA Large Tax Division; Medium, Small and Micro Tax Divisions; and the Real Estate Tax Division, according to Ms. Margaret Krote, Manager for Enforcement in the Large Tax Division.

Ms. Krote revealed that those carrying on the process have been duly authorized to conduct spot check on

companies with ongoing construction projects in accordance with the Revenue Code of Liberia.

Ms. Krote noted that the enforcement is part of LRA current campaign to collect legitimate taxes due the Government of Liberia. The compliance campaign, which extends to April 28, will cover companies that have been operating during the last three years: 2015 to 2017.

During the inspection exercise, the teams will verify the records of companies or contractors and all associates of the ongoing project to ensure full compliance with the tax laws

of the state.

Also as part of the inspection exercise, the team will review the names of the contractors, value of contracts awarded, business registration certificates, real property tax payment receipts and work permit or professional License (where applicable) among others.

"We see lots of construction activities taking place in and around the country, and many of these contractors and construction owners are not paying the due taxes under the law. Now, we have to go after them to ensure and enforce compliance," Ms. Krote said.

## Customs Participates In Integrated Border Management Survey

The Department of Customs of the Liberia Revenue Authority (LRA) represented by its Assistant Commissioner for Port Operations, Mr. Edwin Kendema, along with a team of several border agencies in Liberia, recently participated in a two-week long survey on integrated border management (IBM).

The survey was aimed at mapping the roles and requirements of all border agencies for the eventual development of a framework for border coordination amongst border agencies.

In 2015, the World Customs Organization (WCO) established "Coordinated Border Management" as its theme for the 62nd celebration of the International Customs Day.

The current coordinated border management initiative in Liberia was initiated by the

Department of Customs in 2016 and has gained currency under the chairmanship of Col. Lemuel A. Reeves, Commissioner General of the Liberia Immigration Service.

Border management in Liberia has been marred by multiple agencies performing related functions in uncoordinated fashion, thereby creating non-tariff barriers to trade and unnecessary barriers to movement of international travelers.

Under the Integrated Border Management (IBM) framework, roles of agencies will be defined and activities will be streamlined to allow lead agencies for cargo and passenger controls act as the face of all border agencies in dealing with cargo and passengers.

Did you know that you can pay your Taxes and Customs duties in Liberian Dollars?

Yes you can!!



# REVENUE WATCH

## Strengthening External Partnership

### FIRS Delegation Shares Experience With LRA

The Liberia Revenue Authority (LRA) is leaving no stone unturned in seeking and fostering international partnerships intended to boost its operations as the youngest revenue authority in the sub region.

The Authority in February signed a Memorandum of Co-operation with Federal Inland Revenue Service (FIRS) of Nigeria to strengthen ties between the two tax collecting bodies, and the LRA has begun benefiting from the partnership.

A 5-members FIRS delegation, headed by Mr. T. Kunle Oseni, spent five days in Liberia sharing valuable experience with the LRA Taxpayers Service Division, with the aim of enhancing the function of the division and suggesting recommendations to bolster revenue collection and tax compliance initiatives.



The delegation, while at the LRA, shared experiences on the progress FIRS has made over the years in working with the Nigerian people in providing tax education, strengthening revenue collection and protection, and enhancing tax compliance. The delegation also paid a one-day visit to Grand Bassa County at the County Service Center as well as the port of Buchanan to interact with LRA staff assigned there.

At the close of the five days' knowledge-sharing engagement, the team made several recommendations, detailing prospects to enhance the work of the LRA and its services delivery and performance management.

Meanwhile, LRA Commissioner General Elfrieda Stewart Tamba assured the visiting delegation of the LRA willingness to incorporate findings of the recommendations into its policies.

## Customs Revises Procedures At Freeport

The Customs Department of the LRA in March initiated a revision of the self-assessment procedures at the Freeport of Monrovia.

Commissioner of Customs, Saa Saamoi, said the revised procedures, which replaces the self-assessment, will provide for only one payment at the assessment level.

Any other payments, he said, will only be the result of infractions that may be uncovered during physical examination

of goods. He assured that the revised procedure is a great step to reducing clearance of the ports.

The self-assessment regime for border clearance was launched during the period erstwhile Ministry of Finance. The procedure required importers to make declaration, determine the duties and taxes due the Government and make payments without customs interference. Commissioner Saamoi however noted that the self-assessment regime has

largely resulted to delays due to either declarants' errors or deliberate non-compliance. Under such circumstances, additional payments have to be made after compliance reviews by Customs. He said considering the limited technical skills of declarants and the general compliance levels at the moment, the Commissioner General promised stakeholders a re-programming of the procedures to allow final compliance checks by Customs before payment.

### EDITORIAL TEAM

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

ELWA Junction, Paynesville City, Liberia;  
www.lra.gov.lr

Elfrieda Stewart Tamba  
D. Kaihenneh Sengbeh  
Victor Seah  
Jerry L. Siakor  
Tyrence W. Moore, Jr.

Manager, CMPA /Executive Editor  
Senior Officer, CMPA/ Editor  
Public & Social Media Affairs Officer/Staff Writer  
Communication Officer/Graphic Designer

Kaihenneh.sengbeh@lra.gov.lr  
victor.seah@lra.gov.lr  
jerry.siakor@lra.gov.lr  
tyrence.moore@lra.gov.lr