

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

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



Enhancing Tax Compliance Among Liberian Businesses

LRA, LIBA Pen Partnership Pact

With only one week left to enter the New Year (2018), it was perhaps the last deal to be signed respectively by each entity, but indisputably the first official agreement between the two on tax matters.

The large conference room of the Liberia Revenue Authority (LRA) was flickering with smiles on the faces of officials of the Authority and those of the Liberia Business Association (LIBA).

The smiles, warm greetings and brief side chats among officials signaled a fruitful partnership between the two entities, and in few minutes, following brief remarks, the memorandum was being signed – a memorandum of understanding (MoU) to enhance tax compliance among businesses in the country.

“We assure our commitment in fully implementing the directives of this MoU which will further strengthen the existing tie between LIBA and the LRA,” LIBA President David K. Sembah noted, while Commissioner General Elfrieda Stewart added: “Today is a good day for Mama Liberia.”

The December 28, 2017 partnership agreement, among other things, highlights the implementation of tax education and outreach activities among members of LIBA.

The MoU further seeks to facilitate continuous engagement with the domestic private sector through LIBA, being the umbrella organization for all Liberian-owned businesses, in order to ensure the expansion of the tax net and foster collection of domestic revenues.

The LIBA President called on Liberian businesses to

be fully tax compliant as the taxes they pay are the bedrocks for national and economic development.

The LIBA President intimated that most of Liberia's development have been heavily reliant on donor support, and indicated that in the midst of growing donor fatigue, it was time for LIBA to work along with the LRA in helping to mobilize additional domestic revenues for Liberia.

LRA Commissioner General Tamba, further described the MoU as a great step forward in partnering with relevant local institutions to enhance domestic resource mobilization.

CG Tamba stated that the MOU between LIBA and LRA signifies that both institutions can work together to build Liberia through the strengthening of domestic resource mobilization.

CG Tamba noted that achieving the LRA goals requires partnership and collaboration. “We can only achieve domestic resource mobilization when we collaborate as stakeholders, and when we achieve our mandate, we achieve it for the good of Mama Liberian and its people.”

She pointed out that domestic resource mobilization is a major pillar under the Sustainable Development Goals and the African Union, Africa Agenda which can be achieved through building strong partnership with vibrant local institutions.

The LRA Commissioner General praised LIBA for collaborating with the Authority in cultivating a meaningful partnership that is expected to boost tax compliance among businesses and revenue collection. The implementation of the MoU is expected to commence in 2018.



LRA IDENTIFIES WITH LIBERIA SCHOOL FOR THE BLIND

As part of its Corporate Social Responsibility program launched in July 2017, the Liberia Revenue Authority (LRA) continued identifying with the needy in December.

Just around the festive season, inmates at the Liberia School of the Blind in Virginia, outside Monrovia, were all in smiles when the LRA donated several assorted food and non-food items to them.

Items donated include rice, chicken, oil, popcorn, sunglasses, and a package of Braille literature, assorted school materials, and a water tank.

Presenting the items on Sunday, December 17, 2017, in Virginia, Commissioner General Elfrieda Stewart Tamba said the CPR initiative was to identify with students and staff of the School,

aimed at putting smile on their faces during this festive season.

"The Liberia Revenue Authority has come to give you few items so you can have a good celebration for the holidays," the CG noted.

CG Tamba indicated that the work of the LRA is for the national good. She noted that the work of the LRA is difficult and the more the LRA collects, the more the Government of Liberia is empowered to increase support to all, including the challenged citizens.

CG Tamba commended the staff of the Liberia School for the Blind for helping to provide education to visually impaired students.

In response, the school's Guiding Counselor, Esther Nyanti, thanked the LRA family for the donation which she described as 'timely'.

Identifying with the Liberia School for the Blind, especially during the festive season, was a meaningful contribution well appreciated by the School, she said.

"With this donation, it means we are going to have a great celebration with our students," Madam Nyanti pointed out amid cheers from the jubilant school kids.

She reaffirmed the commitment of the school in working with the LRA to promote tax awareness and civil responsibility in order to better the lives of children of Mama Liberia to include those facing sight and other physical challenges.

In July 2017, the LRA signed an MoU with the Liberia School for the Blind intended to empower and work with the visually impaired to engage into tax awareness and education, while at the same time providing employment opportunities for them. The LRA has employed one visually impaired person.



RRA Experts Provide Technical Support To LRA

On August 24 2017 in Kigali, the Liberia Revenue Authority (LRA) and the Rwanda Revenue Authority (RRA) entered into a knowledge-sharing MOU. Four months later in December, a delegation of the RRA was in Liberia to provide best practices and technical assistance in risk and compliance management in actualization of the intent of the MoU.

While in Liberia, the experts from the RRA presented standards and best practices to enhance LRA's technical capacity in tax compliance management. During a technical engagement on

Thursday, December 7, the RRA delegation shared experiences with LRA on ways of structuring risk engine as a driver for strengthening compliance management. Discussion also covered alternative structures for administering the risk program institutionally.

The delegation, headed by Mr. Munyentwali Gadi, RRA Deputy Commissioner General for Compliance and Risk Management included Ms. Nicole Dakuba, an IT expert. Their mission to Liberia was facilitated by the International Monetary Fund (IMF) through its Fiscal Affairs Department (FAD), and AFRITAC West 2

Both experts worked with the LRA Team responsible for Enterprise Risk Management and the Operational Risk Teams from both Domestic Tax and Customs.

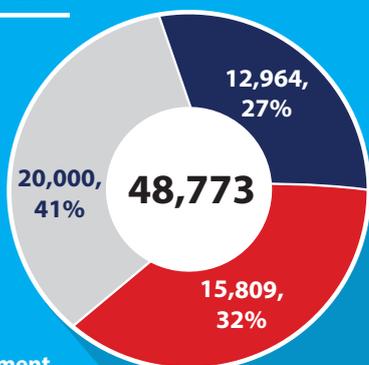
LRA Commissioner General Elfrieda Stewart Tamba welcomed the Team from Rwanda and lauded the ongoing collaboration with the RRA.

She stated that the partnership with RRA would help the ongoing technical transformation underway at LRA. CG Tamba also thanked the IMF for approving LRA request for the Rwandans.

REVENUE PERFORMANCE

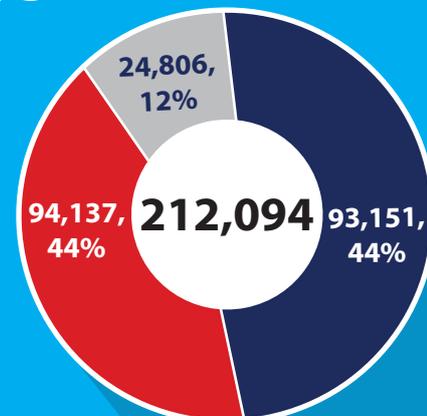
MONTHLY UPDATE

DECEMBER REVENUE OUTTURN



- External Resources
- Domestic Tax Department
- Customs Department

YTD-DOMESTIC REVENUE PERFORMANCE



- External Resources
- Domestic Tax Department
- Customs Department

The gross revenue collections for the month of December 2017 were US\$41.651M and LRD 891.315M. The consolidated aggregate value at the monthly transactional exchange rates is US\$48.773M. This amount registered an over performance of US\$1k or 0.002 percent against a target of US\$48.772M. Total collection for the month in the current fiscal year, when compared to the same period last fiscal year, a decline of 47 percent in total revenue and 20 percent in

Domestic Revenue was registered. Domestic Tax Department accounted for US\$7.813M and LRD644.599M, consolidated value US\$12.964M, representing 27 percent of the total collection, and Customs department accounted for US\$13.838M and LRD246.716M, with consolidated value of US\$15.809M, representing 32 percent of the total collection. External resource accounts for US\$20.000M or 41 percent of the total collection.

The year to date gross revenue collections (July-December 2017) were US\$124.447M and LRD 9.785Bn. The consolidated monthly aggregate value was US\$226.632M. However, of the total collection US\$11.344M and LRD359.304M were obligations for last fiscal year 16/17 but actualized in this fiscal year. The current collections year to date were US\$ 131.102M and LRD 9.426Bn. This includes US\$20.000M on the current fiscal year 2017/18 as an overdraft in anticipation of World Bank International Development Association Grants. The consolidated value is US\$212.094M, against target of US\$207.838M there is US\$4.256M or 2

percent surplus registered. When compared to the same period of last fiscal period, a negative growth of 19 percent was registered. Domestic Tax Department accounted for US\$56.497M and LRD 4.315Bn. The consolidated monthly aggregate value, US\$93.151M was realized, representing 43.9 percent of the total collection. Customs Department accounted for US\$49.799M and LRD 5.111Bn. The consolidated monthly aggregate value, US\$94.137M was realized, representing 44.4 percent of the total collection. External resources realized for the period was US\$24.806M or 11.7 percent of the total collections to date.

Fostering knowledge-Sharing

CG Welcomes Nigerian Tax Expert

The Commissioner General of the Liberia Revenue Authority (LRA) Elfrieda Stewart Tamba was in smiles when she welcomed to Liberia a Nigerian international tax expert, from the Federal Inland Revenue Service (FIRS) of Nigeria.

Mr. Matthew Gbonjubola, the Head of International Tax at FIRS, was in Liberia early December on a week-long assessment visit under the auspices of Tax Inspectors Without Borders. The visit was particularly aimed at strengthening the audit capacity of the LRA and in general, domestic resource mobilization.

Mr. Gbonjubola's mission was also in pursuance of implementation of Memorandum of Understanding (MoU) between FIRS and the LRA in fostering South-South Cooperation and knowledge-sharing to help attain target 17.1 of the Sustainable Development Goal.

This target seeks to strengthen Domestic Resources Mobilization (DRM) and promote partnership in achieving the SDGs. The partnership with the Nigeria FIRS was possible under the framework of the African Tax Administration Forum (ATAF) and the West African Tax Administration Forum (WATAF).

Speaking during a meeting with Mr. Gbonjubola on Monday, Dec 11, CG Tamba expressed confidence that the visit would yield the needed results in strengthening LRA international tax audit capacity and also the audit of other specialized sectors such as manufacturing and the various sub-sectors in manufacturing.

Mr. Gbonjubola, in remarks, praised the LRA Commissioner General and team for the warm reception and noted that the aim to



strengthen LRA international tax audit and other specialized audit training will contribute to domestic resource mobilization.

He assured that he would work with the LRA team to identify and assess potential unreported domestic revenue in the said sectors.

"With my experience in tax auditing, it is important to note that working and sharing ideas together will help all of us to move forward, Mr. Gbonjubola noted, adding, "It is my expectation that at the end of this program, domestic tax staff will gain more knowledge to enable them work independently."

REVENUE WATCH



CG TAMBA WANTS ADEQUATE & SMART INVESTMENT IN LRA

HOLDS TALKS WITH VISITING US RESEARCH STUDENTS

Commissioner General Elfrieda Stewart Tamba has never minced her words on the challenges the LRA faces plus the need for adequate resources to counter those challenges to enhance the Authority's effectiveness in the collection of revenue

Lack of necessary, budgetary allocation to sustain revenue growth, coupled with low availability of qualified manpower in the local labor market, are among key obstacles facing the LRA.

Meeting with Public Policy students from the College of Dartmouth in the United States on December 6, 2017, Commissioner General Tamba emphasized that domestic resource mobilization is a major pillar for any economic development in Liberia, and it requires strong support to achieve.

The Commissioner General told the US students delegation that in order for the LRA to effectively and efficiently administer revenue mobilization in the country, there is a need for the Government to ensure appropriate and adequate smart investment. The delegation included 14 students and a professor.

The students who were conducting research in Liberia on the economic road map for development, selected the LRA as one of the institutions to form part of their research.

The students' visit to Liberia was to conduct an empirical study in an effort to provide information for the purpose of crafting a roadmap for development.

In a meeting with CG Tamba and the LRA Executive Management team, the delegation discussed wide range of issues and prospects on domestic resource mobilization in Liberia.

Key issues discussed ranged from voluntary tax compliance, reforming Liberia's tax policy regime, and support to the LRA for enhancing tax administration efficiency, and possible ways to strengthen legitimate trade facilitation.

The economic development road map is expected to present policy options that could help bolster economic development.

Meanwhile the team expressed warm appreciation for the reception given by the LRA. The head of delegation Professor Charles Wheelan thanked the LRA and promised to share the findings from the study with the LRA to strengthen key departments in its transformation and modernization process.

EDITORIAL TEAM

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