

REVENUE WATCH

Revenue Watch is a monthly publication of the Communications, 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

DOMESTIC RESOURCE MOBILIZATION CRITICAL TO GOV'T PRO-POOR AGENDA



LRA Commissioner General Thomas Doe Nah made a strong point in mid-October when he underscored the importance of Domestic Resource Mobilization (DRM) in achieving the government's Pro-Poor Agenda for Development and Prosperity.

DRM is the process through which countries raise and spend their own funds to provide for their people towards the path to sustainable development finance.

Addressing the opening of a two-day technical review exercise of the draft DRM Strategy at the LRA headquarters, the Commissioner General stated that achieving the government's Pro-Poor Agenda for Development and Prosperity remains a challenge in the absence of a deliberate DRM strategy.

CG Nah said the DRM strategy already crafted at the LRA will serve as a strategic and imperative document in guiding the Authority in meeting annual revenue targets to fund national development.

The CG said revenue envelope needs to grow thru concrete innovative actions including

opening up and getting the country's economy working via appropriate strategies.

The DRM Strategy presents a comprehensive innovative framework on how to expand Liberia's tax base and minimize revenue loss. The strategy further seeks to accelerate economic growth through the initiation of vigorous undertakings that would attract meaningful investments and improve service delivery in the country.

The technical review session was part of efforts to evaluate the document before submission to national and international stakeholders for further appraisal and later endorsement by the cabinet before legislation.

CG Nah described the DRM Strategy as a key instrument to boost revenue generation, which is a critical component of achieving the government's development agenda.

The CG encouraged stakeholders to thoroughly dissect the document and pointed out that it is about time Liberia expands its tax net through the process of triangulation.

61 CUSTOMS BROKERS LICENSED AS CG NAH CALLS FOR INTEGRITY IN SERVICE



Sixty-One (61) Customs Brokers were certificated and licensed in early October following three weeks of training, followed by evaluation in customs brokerage and professional operational standards.

Customs brokers are private individuals, partnerships or associations licensed to assist importers and exporters in meeting requirements governing imports and exports.

They act as professional agents for importers or exporters, prepare and submit all documents for clearing goods through customs.

The licensing of the Customs Brokers, the second since the LRA came into being, was done in keeping with Section 6.0 A (iii) of the Customs Brokers Revenue Administrative Regulation, which mandates the LRA, through the Office of

Professional Responsibility Section, to administer Customs Brokers Competency Licensing Examination as a standard for practicing customs brokerage in the country.

Commissioner General Thomas Doe Nah, speaking at the event on Oct 1, 2018, challenged the licensed customs brokers to exercise a high level of integrity and professionalism in carrying out their line of duties.

“As we certificate and license you today, I am asking you to place integrity in the discharge of your duties with the public and the LRA,” CG Nah advised the brokers.

He noted that customs brokers are core partners of the LRA and as such must play pivotal roles in helping the Authority to execute its mandate of revenue collection.

At the same time LRA Assistant Commissioner of Customs Operations William Buku, encouraged customs brokers to fully understand and abide by all regulations governing their activities. He urged them to add value to their work by acquiring new technological skills to enable them file their documents on the LRA digital platforms.

Speaking earlier, LRA Professional Responsibility Section Officer-In-Charge, James Y. Gayflor, admonished the newly licensed brokers to work within the confines of the regulations at all times.

A representative of the newly certificated customs brokers, Kansualism Berk Kansuah, thanked the LRA for the training and called for a collaborating partnership with the Authority. He assured the commitment of the brokers in upholding integrity in the performance of their work.

School Teachers Benefit Tax Education

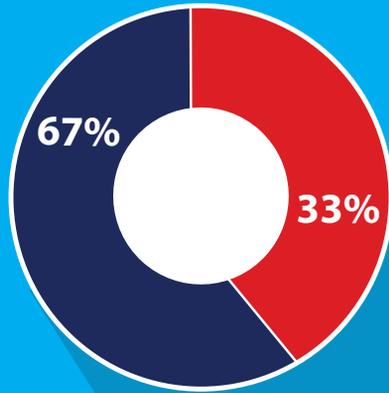
In its quest of reaching out with sustained taxpayer's education, the Liberia Revenue Authority (LRA) on Wednesday, Oct 24, reached out to scores of teachers at the Barnes Foundation School in the Lakpazee Community, Monrovia.

R E V E N U E

P E R F O R M A N C E

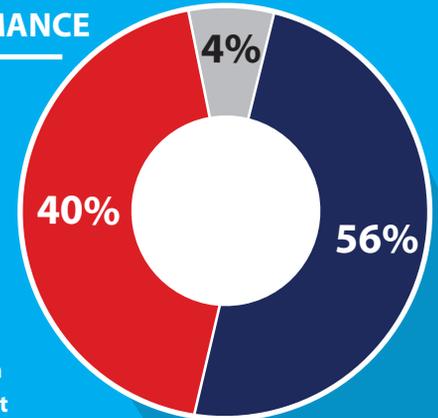
MONTHLY UPDATE

SEPTEMBER REVENUE OUTTURN



- Domestic Tax Department
- Customs Department

TOTAL REVENUE PERFORMANCE



- FY 2016/2017 Obligation
- Domestic Tax Department
- Customs Department

The gross total revenue collection for October, 2018 was US\$ 33.792 million and LRD 1.737 billion. The consolidated value at the average exchange rate of 155.93 LRD/1USD was US\$ 44.936 million. Against a target of US\$ 36.959 million collection exceeded by US\$7.98 million, an equivalent of 22 percent. When collection is assessed on year on year basis, collection increased by 30 percent, (i.e. from US\$ 34.93 million to US\$ 44.93 million).

The over performance for the period is driven by exceptional performance of taxes on income and profit which outperformed target by US\$ 7.6 million, an equivalent of 55 percent. This performance is underpinned by enforcement actions within the Domestic tax department.

The currency composition showed that 75.2 percent of the total revenue was collected in United States Dollars

whilst the remaining 24.8 percent was collected in Liberia Dollars for the month. There was no external resource intake for the month.

Domestic Revenue

Domestic revenue accounted for 100 percent of the total revenue collected for the month. Domestic tax department is the lead contributor to domestic revenue collection accounting for US\$30.14 million, an equivalent of 67 percent, while the department of customs accounted for US\$14.79 million an equivalent of the remaining 33 percent. Domestic revenue exceeded its monthly revenue target by US\$7.86 million, an equivalent of 35 percent. When domestic revenue is assessed on year on year basis, collection increased by US\$11.79 million, an equivalent of 64 percent.

YTD Total Revenue

Year To-Date as October 31, 2018 total gross revenue collection consolidated at the average exchange rate of LRD 153.96 to 1USD is US\$157.95 million. When total revenue collection is compared on a year-on year basis, FY18/19 actuals increased by US\$7.8 million, representing 5 percent above FY 17/18. Year to date collection in total revenue collection shows that approximately 28 percent of the approved revenue target of 570.148 million actualized while domestically 31 percent of the approved target of US\$506.195 has been achieved.

The initiative, through the LRA Taxpayers Service Division (TPSD), was intended to provide the teachers up-to-date information on tax matters and important tax due dates.

Among several others, the teachers were specifically educated on the percentages of taxes deducted (withheld) from their salaries (known as Personal Income Tax or PIT) by their employer. They were drilled on the calculations of PIT and other withholding taxes paid monthly. Besides, the teachers were further educated on Real Property Tax which is currently being enforced vigorously by the

LRA. The LRA team informed the teachers of the various kinds of property tax, the percentages of taxes due on them and the due date for payment.

LRA Tax education brochures were distributed amongst them for further reading to better enhance their understanding on taxes been collected from them.

Meanwhile, the Principal of the institution, Mr. Kpadeh Smith, expressed gratitude to the LRA for taking tax education to the school, especially the deeper understanding of PIT which, according to him, has cleared several doubts of faculty

members and the entire teaching staff of the entity.

He thanked the LRA for choosing the Barnes Foundation among several institutions in the community to benefit from the exercise.

Barnes Foundation was established in 1970 and has been catering to the educational needs of thousands of young people across the district.

The school currently has a total of 400 students and 47 teaching staffs and faculty members. It runs both morning and afternoon sessions as well as a vocational school

REVENUE WATCH

LRA Boss Urges ATAF Members On Firm Domestic Revenue Mobilization Strategies



The Commissioner General of LRA Thomas Doe Nah called on the African Tax Administration Forum (ATAF) to increase efforts in supporting a firm domestic resource mobilization mechanism on the continent, when he spoke at the 5th ATAF General Assembly and Conference held late October.

ATAF is comprised of tax authorities in the African region that is leading efforts towards initiating concrete programs in order to help the continent step away from aid dependency and move in the direction of a reliable domestic resource mobilization (DRM) revenue flow.

CG Nah emphasized the significance of the Addis Tax Initiative (ATI) to promote partner countries in enhancing DRM for sustainable development, particularly financing the African Union Agendas 2063 and the UN SDGs 2030 respectively.

He called for renewed and increasing commitment by donor countries to support the formulation of domestic resource mobilization strategies in developing countries as a milestone achievement for the DRM process and support.

The LRA Commissioner General also urged the ATI member countries to foster triangular relationship between institutions like ATAF, donors and partner countries to accelerate implementation of the DRM across the continent.

The ATI, among others, is a multinational which intends to generate substantially more resources for capacity building in the field of domestic revenue mobilization / taxation as well as more ownership and commitment for the establishment of transparent, fair and efficient tax systems.

CG Nah told that ATAF General Assembly that Liberia, through the LRA, is making serious progress towards expanding the country's tax base through the formulation of its comprehensive domestic resource mobilization strategy.

He said the key pillar of the strategy is to enhance taxpayers' knowledge of the tax laws and their rights and obligations, through effective outreach and accessible information.

CG Nah indicated that one of the major objectives of the DRM is to diversify, expand and enhance service delivery and consistency

in treatment of taxpayers to attain a high level of client confidence and trust.

Discussing further on the topic: New Challenges & New Opportunities: Improving Voluntary Compliance In Africa, CG Nah indicated that taxpayers knowledge about tax laws, simplification of the tax laws and introduction of best attractive taxing scheme are holistic elements in achieving tax compliance.

He said putting in place prudent expenditure measures by governments also helps to improve voluntary compliance and taxpayers' trust in getting targetable returns on tax dollars.

He said governments on the Continent must provide adequate basic social services like hospitals and roads to encourage taxpayers to pay and be more compliant.

The 5th ATAF General Assembly and Conference was attended by more than 200 officials from Ministries of Finance and Tax Administrations of 30 African Countries, Development Partners, and representatives of International and regional organizations, academia, and tax practitioners.

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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