

16. How should excise tax stamps be affixed to tobacco products and alcoholic beverages produced or imported into Liberia?

The place of affixing excise tax stamps on products is specified in a way that makes it impossible to open such as packet of cigarette or bottle of wine without damaging the excise tax stamp. Please see the below examples:



17. What happens if received stamps are damaged before or during affixing process?

Manufacturers or importers can provide information of damaged stamps to LRA.

18. What will happen if the excise tax stamps are not used within six (6) months?

A manufacturer or an importer must return excise tax stamps or provide information about the stamps to LRA not used within six (6) months of their receipt.

19. Will every packet of cigarette or bottle of alcoholic beverage be affixed with excise tax stamp?

No, the following will be exempted from mandatory affixing of an excise tax stamp:

- locally produced goods intended for export;
- goods intended for the supply to a duty-free outlet;
- goods imported into or purchased in Liberia by a diplomatic or consular mission or diplomat or consul

or a member of the diplomat or consul's family forming part of the diplomat or consul's household in Liberia to the extent provided under the Liberia Revenue Code.

20. What happens if tobacco products or alcoholic beverages are distributed or sold without excise stamps?

All unmarked products will be confiscated and the responsible person will be penalized in accordance with the law.

21. Do excisable items have the same excise tax stamp placed on them?

No, different products have different excise tax stamps, which are different in size, color, printed information and protection features. Some examples of excise tax stamps are provided below:



22. What are the benefits to manufacturers and importers of tobacco products and alcoholic beverages for use of excise tax stamps?

The use of excise tax stamps create to a large extent a level playing field for all manufacturers and importers of tobacco and alcoholic beverages by controlling the act of smuggling and combating illicit trade.

23. How will the use of excise tax stamps benefit consumers?

Excise tax stamps will protect consumers from buying counterfeit products or goods.



Excise Tax FAQs



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1. What is excise tax?

Excise Tax is a commodity based tax that is levied on excisable goods and services.

2. Which goods and services are excisable?

The Excise law defines goods and services that are excisable. Items such as **tobacco and tobacco products, alcoholic and nonalcoholic beverages, luxury goods, cosmetics, sugar and gambling equipment** are specified as excisable items.

3. Is excise tax levied only on domestic products?

No, it is levied on the production and importation of excisable goods and the provision of excisable services.

4. What is the base of the excise tax?

The base of excise tax depends upon the type of rate. If excise tax is levied with specific rates (i.e. expressed as a fixed amount per unit of measure of the excisable items), the tax base is the physical units of excisable items such as **weight, length, size, stick, packet, etc.** On the other hand, if excise tax is levied with ad valorem rate (i.e. expressed as a percentage of the value of excisable items), the tax base is the value of excisable items.

For example, in the case of import, excise tax is levied on the sum of CIF (cost, insurance, freight) prices and applicable customs and other duties on imports; while in the case of domestic products, the tax base is the greater of the ex-factory price or normal selling price.

5. When is excise tax levied?

In the case of domestic products, excise tax is levied at the time of removal of goods from the factory, while in the case of import, it is levied at the time of importation of excisable goods.

6. When is excise tax paid?

In the case of imports of excisable goods, the excise tax must be paid at the customs point together with the customs duties according to the same procedure as for customs duties.

In the case of domestic products, excise tax of each tax period (as per the Calendar Month) which must be paid within 21 days after the end of the period.

7. Is there a need to submit an excise tax return?

Yes, an excise taxpayer is required to file an excise tax return for each tax period within 21 days after the end of the period, whether or not an excise tax is due for the period. However, no additional return need be made for excisable imported goods listed on a consumption entry form for purposes of the External Tariff Law, for which excise tax was paid at the time of entry.

8. What are the objectives of excise tax?

Excise taxes are levied to meet social objectives and revenue demands as follows:

- to discourage the consumption of items that create health hazards which cause negative externalities;
- to generate revenue for improvement of the health system;

9. Why has the excise law been amended?

The amendment of the law is based upon the premise of making the excise tax regime simple, transparent, efficient, equitable and elastic.

10. Which commodities are excisable under the new Excise Law?

The following commodities are excisable under the new Excise Law:

- Alcoholic and non-alcoholic beverages
- Tobacco products
- Jewelry
- Certain types of vehicles
- Cosmetics
- Sugar
- Gambling equipment

11. What is excise tax stamp?

An excise tax stamp is a type of highly secured revenue stamp affixed to some specified excisable goods.

12. Why are excise tax stamps used?

Excise tax stamps are commonly used around the world in order to control smuggling and counterfeit products.

13. What products required to have excise tax stamps affixed to them in Liberia?

Tobacco products like cigarettes, cigarillos, cigars (covered under HS Code 24.02, except unmanufactured tobacco and tobacco substitutes) and alcoholic beverages (covered under HS Code 22.03, 22.04, 22.05, 22.06, and 22.08, except those not designated for human consumption) will need to have excise tax stamp affixed.

14. Is fuel also part of the excisable commodities under the new excise tax law?

No, fuel is being governed under different legislation. It is not part of the excisable commodities in the new excise tax law as contained in Part IV, Section 1106 of the Code as amended.

15. How can manufacturers and importers of tobacco products and alcoholic beverages obtain the excise tax stamps?

Manufacturers and importers of tobacco products and alcoholic beverages can obtain excise tax stamps from the Liberia Revenue Authority by submitting specified application form and paying the price of the required number of excise tax stamps.