

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



Fostering Culture of Voluntary Compliance

CG Tamba Addresses Southeastern Regional Revenue Dialogue

Commissioner General Elfrieda Stewart Tamba left nothing hidden about the dire need for Liberians to pay their taxes when she, in early April, addressed hundreds of citizens in Zwedru City Grand Gedeh County.

Addressing the last in a series of five regional dialogues on domestic resource mobilization, Commissioner General Tamba indicated that the Liberia Revenue Authority (LRA) has a staggering task of collecting revenues, but noted that the task is achievable through collective efforts. "Yes, we can make it, yes Liberia can be developed as any other country, but we cannot do that depending on donors' funding."

Donor support, the CG emphasized, is drying out; the world now is focusing on what is within. "You have the businesses, let the businesses pay their fair share of taxes; you have the individuals, let the individuals pay their fair share. Government officials, LRA employees, we all must pay our fair share, and that is how we will develop our country and to improve the link between revenue generation and expenditure," the CG asserted.

"The LRA advocacy is simple," Mrs Tamba explained. "We all must pay our just and fair share, from the highest to the lowest taxpayer."

She reminded participants that the task of

collecting revenue is very challenging but not impossible. "The task is indeed a big task; it is very challenging amidst the low level of tax consciousness and low tax-paying culture which we have in Liberia. And this low level of tax consciousness permeates all counties through the length and breadth of Liberia," the Commissioner General noted and continued: "Is our task achievable? I say yes: through collaboration, through education, awareness, building that national tax-paying culture and consciousness of our citizens and residents."

Held in collaboration with the Ministry of Finance and Development Planning (MFDP) and sponsored by the United Nations Development Program (UNDP), the Zwedru dialogue brought together at least 75 stakeholders including businesses/investors, traditional leaders, religious and student groups from Grand Gedeh, Maryland, and River Gee Counties.

The gathering, like the previous ones held in Buchanan, Tubmanburg, Gbarnga and Monrovia, provided an opportunity to initiate discourse with various stakeholders, partners and taxpayers on a national Resource Mobilization Strategy, which will be finalized at the country's first ever national revenue summit slated for June 30th and July 1st this year.



Mrs. Deontee King-Sackie
Deputy Commissioner General/Technical Affairs

Easing Tax Payment Process

LRA, Commercial Banks Sign MOU for Direct Tax Transfer

As the newest revenue body in Africa, the Liberia Revenue Authority (LRA) is making strides to improve tax payment and compliance as practiced in other countries. Commissioner General Elfrieda Stewart Tamba is leading frantic efforts to ensure that taxpayers in Liberia use technology such as e-filing, e-payment and the mobile money technology to ease tax payment constraints.

One of these efforts came into being on April 4, 2017 when the LRA signed an MOU with Commercial Banks in the country to facilitate the process of paying taxes through direct bank transfers. With this, taxpayers in Liberia, having accounts with various commercial banks can now easily pay their taxes directly from their accounts to the government's account.

The agreement is intended to modernize and simplify tax payment processes and as well stamp out the disadvantages of rising fraudulent transactions with manager's cheques

amongst taxpayers.

The signing ceremony was witnessed by the Executive Governor of the Central Bank of Liberia and heads of commercial banks operating in the country.

LRA Commissioner General applauded the commercial banks for accepting and complying with the LRA reform agenda of improving tax payment processes.

CG Tamba said the initiative is a key revenue milestone in tax payment, noting that the new system is cardinal to enhancing efficiency and effectiveness in order to strengthen voluntary compliance, tax net expansion and revenue protection.

According to CG Tamba, the New Direct Tax Transfer Systems is a key revenue indicator for the LRA and its coming into effect will improve revenue generation activities.

For his part the Executive Governor of the Central Bank of Liberia, Milton A. Weeks, said the new system brings credibility. Also speaking on behalf of commercial banks, Henry F. Saamoi, Chief Executive Officer of International Bank Liberia Limited, welcomed the initiative. Mr. Saamoi said over the years, the banks have been experiencing difficulties with manager's cheques and with the coming in of the new system, he hopes fraudsters will be identified.



Learning From The Mauritian Experience

LRA Eyes Establishing Fiscal Investigation Division

Indisputably, evidence has shown that there are frauds and leakages hurting the country's revenue system. It requires a consistent and concerted effort, backed by reforms and investigative vigilance to help protect the revenues.

It is in this drive that the Liberia Revenue Authority (LRA) is embarking upon several initiatives to protect the country's revenues from frauds and swindlers. One of these efforts is the establishment of a Fiscal Investigation Division (FID).

Through the division, the LRA will battle out and alleviate the practices of fraud, tax evasion and other unwholesome activities affecting revenue collection.

Being one of the newest revenue authorities on the continent, the LRA is exploring and learning from the experiences of successful revenue authorities. In mid-April, a delegation from the Mauritius Revenue Authority (MRA), invited by Commissioner General Elfrieda Stewart Tamba, was in Liberia to share their rich experience in Fiscal

Investigation with the LRA.

The MRA has an unrivaled experience in setting up and running a functional fiscal investigating division that handle high profile cases in revenue collection and other tax related activities.

While in Liberia, the group interacted with the CG and staff of the PED — the division currently investigating employees' professional conduct as well as revenue related frauds. Representatives of the two revenue bodies exchanged ideas and experiences about technical support, best practices, and guidance in developing the necessary operating procedures, structures and functions of the proposed division.

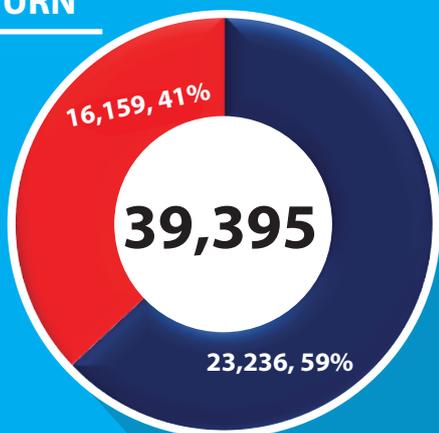
"Let me thank you for coming to Liberia to visit the LRA and to provide some of the best practices you have at your institution," Commissioner General Tamba said. "We are very sure that this exchange of knowledge will help us improve our revenue collections and meet up with international standards and best practices."

R E V E N U E

P E R F O R M A N C E

MONTHLY UPDATE

APRIL REVENUE OUTTURN

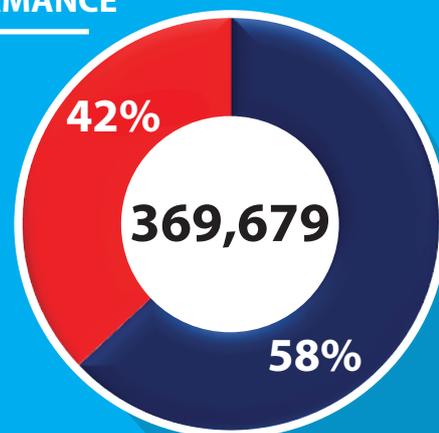


■ Domestic Tax Department ■ Customs Department

The gross total revenue outturn for the month of April was US\$ 39.395M. However, this amount fell below its forecast of US\$ 39.414M by US\$ 19K or -0.05%. The total outturn for the month of April represents 9% of the total revenue generated to date and 11% of domestic revenue. The daily collection for the

month averaged US\$ 1.6M. Domestic Tax Department for the period accounted for US\$ 23.2M or 59% and Customs Department's accounted for US\$ 16.159M or 41%. There was no receipt from external sources for the period under review. See above graphical perspective for details.

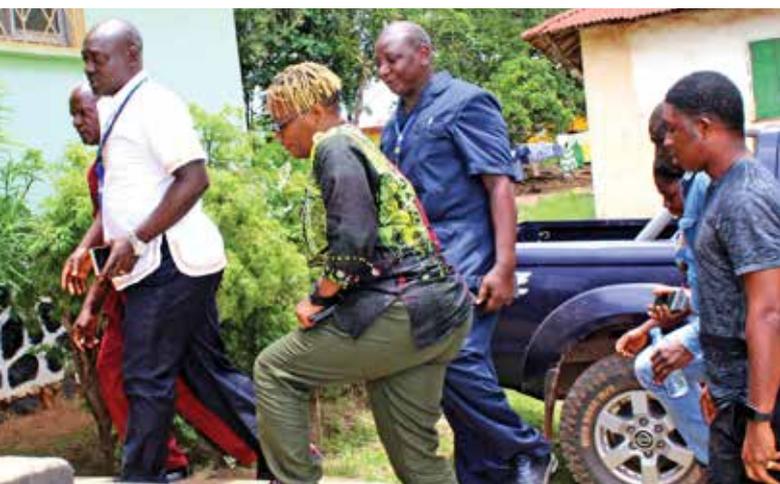
YTD-DOMESTIC REVENUE PERFORMANCE



■ Domestic Tax Department ■ Customs Department

The Year-to-date perspective of Domestic Revenue shows that we have actualized US\$ 369.7M or 70% of the 529.9M Approved Forecast after exhausting 83.3% of the fiscal year. Balance to be collected in order to realize target is US\$ 155.3M of which

Domestic Tax Department account for 94.2M or 61% and Customs Department account for US\$ 61.1M or 39%. Given the current status of the Economy the LRA will not be able to collect this, notwithstanding its efforts in mobilizing organic growth.



The Commissioner General of the LRA, Elfrieda Stewart Tamba in early April inspected five rural tax Business Offices (TBOs) to boost their confidence and acquaint herself with challenges they are facing in collecting the lawful revenues of the country.

Enroute to Zwedru City, Grand Gedeh County, to attend the fifth and final regional dialogue on Domestic Resource Mobilization, the CG toured and held talks with senior

CG Inspects Rural Tax Business Offices

collectors at the TBOs in Kakata and Gbarnga cities in Margibi and Bong Counties respectively. Accompanied by the Commissioner of Customs, Saa Saamoi, and the Manager for Rural Tax Business Offices Thomas Jallah, the CG also inspected the Tapita, Ganta and Zwedru TBOs.

Senior Collectors at the TBOs welcomed the CG and team at their respective assignment areas and briefed her in an interactive discussion, about progress, prospects and challenges in the discharge of their duties. In general, most of the TBOs requested additional manpower (collectors and secretariat staff), constant electricity supplies, safes, as well as office equipment including photocopiers, computers, scanners, desks and chairs.

In response, the CG applauded the TBOs and their respective staff for their services to the state and urged them to reach out as much as possible to increase their tax rolls. CG Tamba assured the TBOs that the LRA administration was working to address their concerns, some of which she said were immediate.

REVENUE WATCH

LRA To License Brokers and Tax Practitioners



Mr. Isaac B. Stevens
Manager of the Office of Professional Responsibility

As part of efforts to create a professional tax culture and administration, the Liberia Revenue Authority (LRA) has considered the licensing of tax practitioners in the country.

The initiative will legitimize their status and support efficient and effective tax administration. It is expected to also ensure that tax practitioners in Liberia are trained, licensed and adhere to professional standards. The Act creating the LRA states that the Authority has the functional responsibility to license Tax Practitioners in the country.

Speaking at a stakeholders' engagement event in April with members of the Liberia Institute of Tax Practitioners in Monrovia, the Manager of the Office of Professional Responsibility at the LRA, Isaac B. Stevens, revealed that the regulation is in its concluding stages. Once completed, LRA Commissioner General Elfrieda Stewart Tamba will approve and submits same to the Ministry of Foreign Affairs for publication into law.

"Revenue Thieves" Sent To Court For Tax Fraud, Criminal Facilitation



Joe Williams, the mastermind of the criminal deed was recently nabbed

The Liberia Revenue Authority (LRA), through its Professional Ethics Division, along with state security personnel, apprehended four persons to face prosecution for duping the government thousands of dollars in revenues.

The four persons were charged and sent to court for forgery, money laundering, criminal facilitation and fraud on the internal revenue of Liberia.

They were apprehended by the Major Crime Investigation Department of the Liberia National Police and investigators of the LRA.

Three of the defendants, Emmanuel P. Quoi, Pewee Sonie Flomo and Maxwell S. Toby were earlier arrested by police in collaboration with the LRA team, while the mastermind, Joe Williams, was later nabbed.

The four defendants are facing trial for their complicities in a criminal syndicate centering on the altering of manger's checks in the combined amount of over US\$11,000 — US\$4,924 as Customs Duty for CICA Motors Liberia and US\$ 6,138 owned by IBI-LASS as taxes for October 2016.

Defendants Quoi, Flomo and Toby were involved in altering an International Bank Liberia Manger's check of US\$ 6,138 dollars owned by IBI-LASS as taxes, while Pewee Sonie Flomo diverted to another account the US\$4,924 intended to be paid as Customs Duty for CICA Motors Liberia. The defendants admitted to the commission of the crime of money laundering and fraud on the internal revenue of Liberia.

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 Kummeh Seah

Jerry Laynumah Siakor

Tyrence Walter 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

Phone: +231-0886586531/0777586531