



Withholding on Income Tax for Individuals

What is Withholding?

Withholding is an obligation by a withholding agent to withhold the taxes due the Government of Liberia on behalf of a withholder or withholders in respect of goods supplied or services rendered by the withholder to the withholding agent. The withholding agent pays the tax to the LRA using the withholder's Taxpayer Identification Number, or TIN. Liberia Revenue Code (LRC) Section 905(a).

Who Pays Withholding?

The following are subject to the payment of withholding:

- ⇒ A resident legal or natural person;
- ⇒ A nonresident with a branch in Liberia or doing business in Liberia;
- ⇒ A government agency; or
- ⇒ Unless expressly exempted by international agreement or treaty, a nongovernmental Organization operating in Liberia or a diplomatic mission to Liberia.

What are the Payments subject to Withholding?

The following payments are subject to withholding: (Section 905 LRC)

- ⇒ Wages and Salaries
- ⇒ Contract Services or Services Rendered
- ⇒ Acquisition Price of an Investment
- ⇒ Interest
- ⇒ Royalties
- ⇒ Dividends
- ⇒ License Fees
- ⇒ Gaming Winnings
- ⇒ Payers of Rent

How is Withholding on Individual Income Tax paid?

To pay withholding taxes:

- ⇒ Go to the Taxpayer Services of the Liberia Revenue Authority, Monrovia
- ⇒ Obtain a withholding form for
 - A. Services rendered (Schedule B-Resident), (Schedule B-Non-Resident) or
 - B. Withholding form for salaries and wages (Schedule A),
- ⇒ Take the completed form to Returns Processing of the LRA to obtain a Bank Payment Slip
- ⇒ Proceed to the bank payments section to make payment and obtain a flag receipt
- ⇒ Note that to make payments above US\$100 or L\$5000, you will have to obtain a manager check from a commercial bank.





What is the Percentage of Withholding on Wages/Salary?

Withholding on wages or salary is based on the Personal Income Tax Table below: (Section 200 LRC 2011):

Step	Taxable Income (Liberian Dollars)	Tax Rate and Computation (Liberian Dollars)
1.	0- 70,000	0
2.	70,001 to 200,000	5% of the excess over 70,000
3.	200,001 to 800,000	6,500 + 15% of the excess over 200,000
4.	800,001 and above	96,500 + 25% of the excess over 800,000

What is the Percentage of Withholding on Contract Services/Services Rendered?

- ⇒ The withholding rate for resident natural or legal person is 10%
- ⇒ The withholding rate for non-resident natural or legal person is 15%

What is the Percentage of Withholding on Dividends?

- ⇒ The withholding rate for resident natural or legal person is 15%
- ⇒ The withholding rate for non-resident natural or legal person is 15%

What is the Percentage of Withholding on Rent?

- ⇒ The withholding rate for resident natural or legal person is 10%
- ⇒ The withholding rate for non-resident natural or legal person is 15%

What is the Percentage of Withholding on Gambling?

- ⇒ The withholding rate for resident natural or legal person is 20%
- ⇒ The withholding rate for non-resident natural or legal person is 20%

What is the Percentage of Withholding on Interests?

- ⇒ The withholding rate for resident natural or legal person is 15%
- ⇒ The withholding rate for non-resident natural or legal person is 15%

What is the Percentage of Withholding on Board & Management Fees?

- ⇒ The withholding rate for resident natural or legal person is 10%
- ⇒ The withholding rate for non-resident natural or legal person is 15%

What is the Percentage of Withholding on the Acquisition price of an investment?

- ⇒ The withholding rate for resident natural or legal person is 10%
- ⇒ The withholding rate for non-resident natural or legal person is 15%





What is the Percentage of Withholding on Goods & Service Tax? Goods and Services Tax

GST Type	Tax Rate
GST Domestic Goods	7%
GST on Electricity Services	7%
GST on Telecommunication Services	15%
GST on Provision of Water for Fee	7%
GST on Hotel Services	10%
GST on Restaurant Services	7%
GST on Gambling Services	10%
GST on Sale of Tickets by International Transport Services (air, sea, and land)	10%
GST on Services of a Travel Agency or Travel Arranger, including the issuing of tickets	10%
GST on Sporting or Game Arranger Services, including the issuing of tickets	10%
GST on other services	7%

What is the Percentage of Withholding on Excise Tax?

Excise Tax Table

Excise Type	Tax Rate
Earth and Stone; Asbestos Product Manufactured in Liberia	35%
Scrap Metal Exported from Liberia	5%
Alcoholic Beverages with an alcohol content in excess of one percent imported or produced in Liberia	45%
Tobacco and Tobacco Products imported to or manufactured in Liberia	35%
Non-Alcoholic Beverages and Water Produced in Liberia	2%
Cosmetics Imported to and produced in Liberia	10%
Luxury Automobiles and Jewelry imported to or manufactured in Liberia	10%
Gambling Equipment imported to or manufactured in Liberia	30%
Water imported into Liberia	35%
Non-alcoholic beverages other than water imported into Liberia	10%
Sugar in crystal or granule form Tariff No. 1701.99.10 and 1701.99.90	10%
Monosodium Glutamate or products containing more than 80% monosodium glutamate	30%

