

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

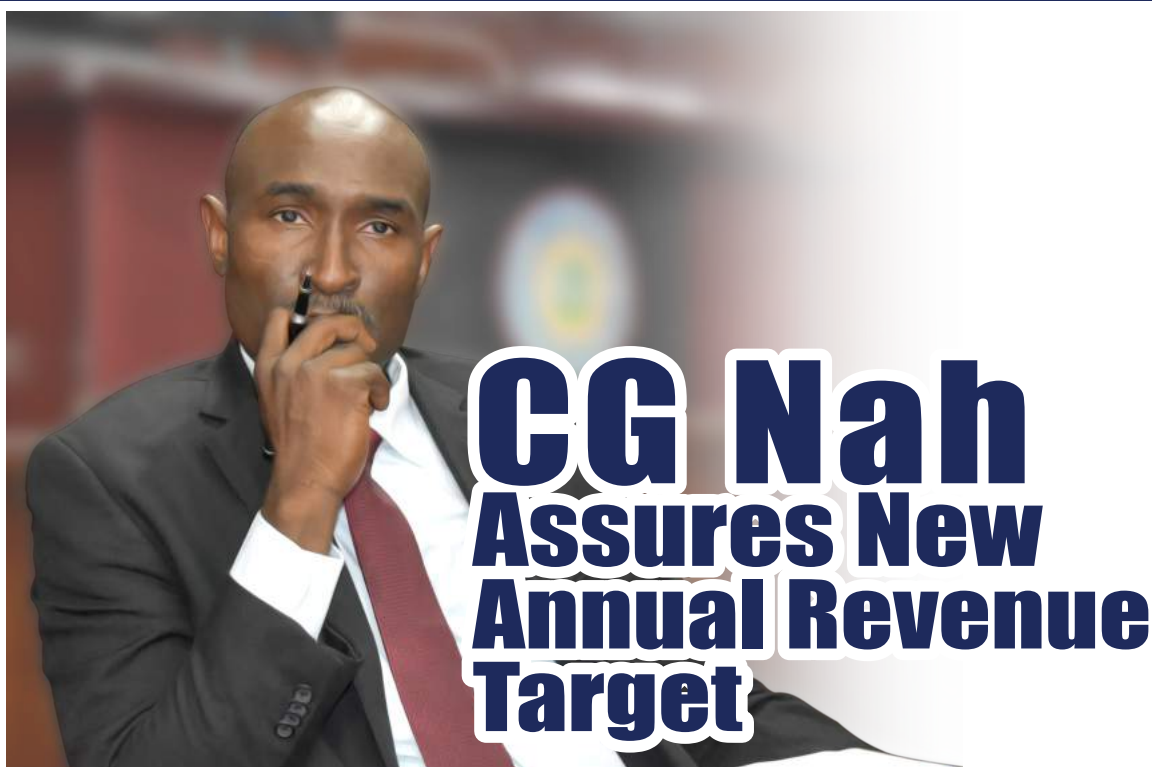
Advance Payment on BUSINESS INCOME TAX (2%)

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



The new Commissioner General of the Liberia Revenue Authority (LRA) Thomas Doe-Nah says in a bid to achieve the government's Pro-Poor Agenda for Development and Prosperity, the country's revenue base must be expanded beyond an annual budget of US\$500 million.

CG Nah said for too long Liberia's annual budget has struggled to go beyond half a billion mark, but the LRA under his stewardship will strive to go all out to change the situation and raise the needed revenue to support the country's development agenda.

The Commissioner General Nah said it was disheartened that other countries are advancing and the lives of their people changing, while Liberia remains at the same spot over and again.

The LRA boss was speaking Wednesday (Aug 22), when he, along with his deputy-designate for Technical Affairs, Decontee T. King Sackie, appeared before the Senate Committee on Ways, Means, Finance and Budget for confirmation hearings.

CG Nah intimated that more revenue sources and simplified tax systems will be introduced as ways to spur tax compliance and boost domestic revenue collection.

Among others, the CG expounded on improving revenue collection in the real estate and tourism sectors as well as building on existing initiatives of sealing up revenue leakages, using modern information communication technologies, stamping out corruption and enforcing transparency and accountability initiatives.

He said to boost revenue collection, premium will

be placed on creating a people-centered LRA, a customer and business-friendly tax environment as well as ensuring educational and outreach programs that will enhance the public's understanding of their tax obligations.

The Commissioner General-designate indicated that employment at the LRA will be merit-base and that there will be no room for corruption, vowing that both parties connected to corrupt practices will face the weight of the law. "We will fight corruption at both ends."

Meanwhile, the Deputy CG for Technical Affairs-designate told the Senate Committee that she will work with the CG to meet the targets of the LRA and to take the LRA to the people.

Mrs. King-Sackie said the ground work of moving the LRA to a greater level has already been laid via the Authority's 5-year corporate strategic plan which emphasizes, among others, increasing voluntary compliance, and effectively administering revenue legislations.

Mrs. King-Sackie called for building the capacity and technical skills of LRA staff, especially in auditing, in a bid to track down hidden taxes. More emphasis and investment, she indicated, will be done in taxpayer's education through outreach initiatives into the communities, schools as well as teaching tax education in universities and colleges.

The two appointed LRA officials thanked President George Weah for appointing them to serve their country and noted that they will not disappoint the President and people of Liberia.

Tax Awareness Extends To LPRC



Partial view of LPRC employees listen as Mr. Howe make a presentation

As part of the LRA ongoing tax enlightenment engagement for Government institutions, the Division of Large Tax in collaboration with the Taxpayers Service Department (TPSD) during the month of August extended its tax dialogue to the Liberia Petroleum Refining Company (LPRC).

The aim of dialogue was to provide tax awareness and adequately educate employees on various tax issues and further expand their knowledge in the execution of their respective duties, bordering on tax related matters.

Several topics including withholding tax obligations on wages, salaries and Real Property were discussed. Participants were taught the mode of calculating as well as the due dates for each of the tax kinds, and who should pay them.

Making his presentation, Eddie Howe, LRA Manager for Analysis, Assessment and Accounting (AAA) of the Large Tax Division, noted that the tax dialogue was vital for government entities including the LPRC to be informed about their tax obligations.

Manager Howe encouraged beneficiaries of the training at the LPRC, especially the Finance Department, to professionally utilize the tax knowledge they acquired by applying them to the work they do.

Also speaking at the engagement, the Senior Officer for Taxpayers Education, Gabi Azzam, said tax education is crucial to revenue collection and nation building, via extension. Taxes collected, he said, are used for the development of the country. Mr. Azzam also underscored that taxpayers have rights, and those rights are bound to be respected at all times by tax collectors or officers.

At the end of the dialogue, both institutions reached an agreement that the LRA facilitates the registration and processing of LPRC employees' tax identification numbers (TIN). A TIN is a unique identification number issued to individuals and organizations to track tax obligations and payments they make to the LRA. All taxpayers must have a TIN, which is obtainable free of charge.

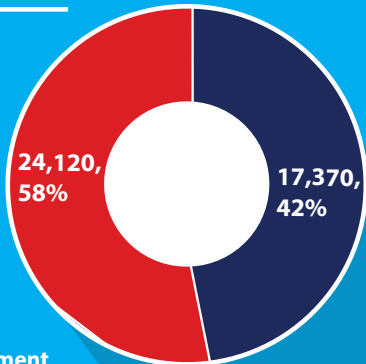
REVENUE

PERFORMANCE

MONTHLY UPDATE

AUGUST

REVENUE OUTTURN



■ Domestic Tax Department
■ Customs Department

The gross total revenue collection for August, 2018 was US\$ 29,073M and LRD 1,895Bn. The consolidated value at the average exchange rate of 153.26LRD/1USD was US\$ 41,489M. Against a target of US\$ 33,737M collection exceeded by 23% or US\$ 7.75M. Compared to the same period of last fiscal year, collection increased by 25% from US\$ 33.2M to US\$ 41.4M.

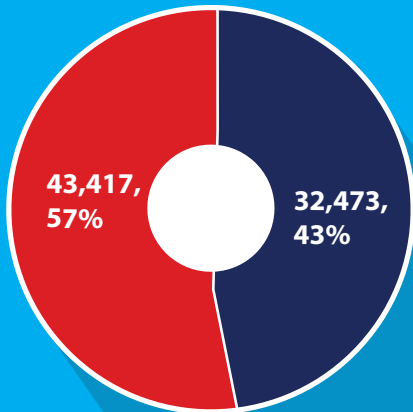
The over performance for the period is driven by the realization of the road maintenance fund after lifting the ban on collection by the Supreme Court. Additionally, withholding taxes from residents, increased by 129% from US\$ 4.0M to US\$ 9.3M.

The currency composition showed that 79.1% of the total revenue was collected in United States Dollars whilst the remaining 29.9% was collected in Liberia Dollars for the month.

There was no external resource realized for the period under review.

YTD-DOMESTIC

REVENUE PERFORMANCE



■ Domestic Tax Department
■ Customs Department

Year To-Date as August 31, 2018 total gross revenue collection consolidated at the average exchange rate of LRD 152.88 to 1USD is US\$75,889M. Compare to same period last fiscal year collection slumped by 3%, from US\$ 78.0M to US\$ 75.8M.

Domestically, compared to same period last fiscal year collection increase by 1%, from US\$ 75.4M to US\$ 75.8. Collection shows that 13% of the approved revenue envelope of US\$ 570.148M has been achieved. For the period there was no external resource intake.

August Collection Goes US\$7.75M Beyond Target

The Liberia Revenue Authority (LRA) exceeded its projected revenue target for the month of August 2018 by 23 percent or US\$7.75M.

The projected target for the Month of August was US\$33.74M, but actual collection realized was US\$ 41.48M.

Compared to the same period of last fiscal year, collection increased by 25% from US\$33.2M to US\$41.48M.

The over performance for the period is driven by the realization of the road maintenance fund after the lifting of ban on collection by the Supreme Court. Additionally, withholding taxes from residents, increased by 129% from US\$4.0M to US\$9.3M.

The currency composition showed that 79.1% (or 29.07 million) of the total revenue was collected in United States Dollars whilst the remaining 29.9% (or 1.89 billion) was collected in Liberia Dollars for the month.

There was no external resource realized for the period under review, which indicates that the entire US\$41.48M was paid by

taxpayers in the bounds of Liberia.

Year To-Date as August 31, 2018 total gross revenue collection consolidated at the average exchange rate of LD 152.88 to 1USD is US\$75.88M. Compare to same period last fiscal year, year-to-date collection slumped by 3%, from US\$78.0M to US\$ 75.88M. However, domestically, compared to same period last fiscal year, collection increased by 1%, from US\$75.4M to US\$ 75.8.

Collection as at August 31, 2018 shows that 13% of the approved revenue envelope of US\$ 570.148M has been achieved.

Meanwhile Commissioner General Thomas Doe Nah applauded all taxpayers across the country for their valuable contributions to the country's revenue envelope and urged citizens to be tax compliant in supporting the government's Pro Poor Agenda for Development and Prosperity.

CG Nah said no country in the world develops without the payment of taxes by its citizens.

REVENUE WATCH

WATAF Urges Revenue Administrations To Strengthen Relationship With Taxpayers

As Regional Training Climaxes In Monrovia



The Executive Secretary of the West African Tax Administrative Forum (WATAF), Babatunde Oladapo in late August challenged revenue administrations in the region to strengthen relations with the taxpaying public and simplify tax payment as part of efforts to boost revenue collection in their respective countries.

Mr. Oladapo said the introduction of mobile tax payment services, e-filing platforms, radio and television programs are key ways to improve interactions between tax administration and the taxpaying public.

The WATAF executive spoke Thursday (Aug 30) at the close of a three-day training for taxpayer service officers from eight countries in West Africa. Key recommendations from the training included ways to simplify tax laws, automate tax filling systems, implement electronic tax payment services and create information centers to educate taxpayers.

Mr. Oladapo encouraged all revenue bodies to introduce programs that will appeal to the minds of taxpayers and improve customers' relations.

The taxpayer service training, organized for revenue administrations in the sub-region, took place in Monrovia from the 29 to the 30th of August 2018, with the Liberia Revenue Authority as host.

During the training, participants discussed the importance of exchanging knowledge between and amongst revenue administrations. Participants further shared similar knowledge about ways to improve standards for taxpayers to pay their taxes.

LRA Commissioner for Domestic Tax Darlington Talery, in remarks, thanked WATAF for organizing the training in collaboration with the LRA, and facilitated by PWC Liberia and Nigeria

Commissioner Talery said it is important for tax administrations in the sub-region to introduce effective and efficient tax service programs in their drives to ensure revenue collections.

Commissioner Talery noted that an effective tax administration needs a good and convenient taxpayer's customs service program.

Meanwhile, during the opening of the training, LRA Acting Commissioner General Decontee T. King-Sackie noted that the training would help strengthen the role of tax administrations in the West African region in promoting domestic resource mobilization efforts.

She said the provision of adequate taxpayer services which includes the providing up-to-date information and education is crucial to facilitating voluntary compliance and at the same time provides taxpayers the timely assistance needed to enable them meet their tax obligations to the government. "This effort will be a continuous one, because we believe we need to enhance our combined revenue performance through the improvement and increase voluntary compliance," she said.

She spoke of the need for all of countries in the region to aim at formulating strategies and initiatives to improve taxpayer services at the various tax administrations.

Madam King-Sackie than thanked WATAF and PcW for initiating the training and choosing Liberia as its venue.

EDITORIAL TEAM

The REVENUE WATCH is a monthly publication of the Communications, Media and Public Affairs Section of the Liberia Revenue Authority

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