

# 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 Rentals, 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 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 Real Property owners

**INCOME TAX RETURN** (Filing and Payment) Due on or before March 31st of each calendar year

## Stopping Revenue Fraud

### LRA and Police Collaborate

The Liberia Revenue Authority (LRA) in collaboration with the Liberia National Police (LNP) in early May unearthed a criminal syndicate organized to divert government's revenue to personal purposes.

The LRA identified one of its staff Lee N.V. Taylor as one of the members of the syndicate. Mr. Taylor fled Liberia after the criminal act was discovered, but was arrested in Ghana and extradited to Liberia. He is in police custody helping with the investigation.

Preliminary investigation indicated that Taylor and his accomplices established an account at Access Bank Liberia Ltd and deposited several manager's checks issued by the United Bank of Africa (UBA).

These manager's checks destined for the government's consolidated account were deposited in an account with Access Bank, and some were reportedly cleared. The 'criminal' account containing about US\$400,000 been frozen as investigation continued.

The fees at the center of the investigation were government's percentage of cellular mobile transactions deposited with UBA.

The LRA was concerned about the role of its staff in the criminal syndicate as well as the ease with which banking controls were navigated to divert public resources.

The LRA applauded the LNP for its collaboration and speediness in working with their Ghanaian counterparts to have suspect Lee Taylor arrested.

The LRA wants assured the public that it remains committed to the collection of lawful revenue and will collaborate and do all within its powers to bring the perpetrators to justice.



# MOL & LRA Kick Off Joint Labor Inspection



A nationwide joint labor enforcement exercise kicked off in May to bring to compliance corporations and employment entities across the country.

The LRA, Liberia Immigration Service, Ministry of Labor and the National Social Security and Welfare Corporation (NASSCORP) collaborated in the inspection of major corporations and companies for their compliance with the tax, social security and labor-related laws of the country.

The work of joint team, among others, involved inspection of work permits, letters of request for permit, contractor certificates, personal protective equipment at work places, employment letters and working environments.

LRA Deputy Commissioner General for Technical Affairs (DCGTA) Decontee T. King-Sackie on Thursday (May 16), along with Labor Minister Moses Y. Kollie, told a joint press conference that the month-long exercise was also intended to grow government's revenue collection.

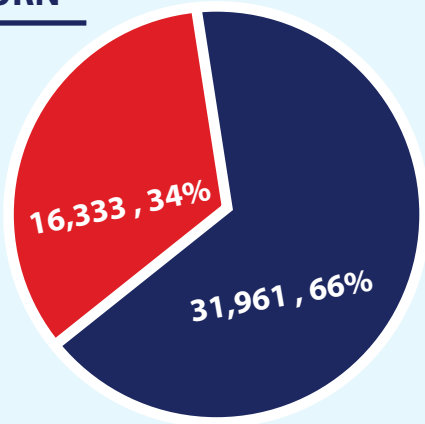
"Our mandate of raising revenue for the government and administering the revenue laws of Liberia requires that the LRA be present and account for every amount that will be collected during the exercise," DCGTA King-Sackie said of the LRA's role in the exercise.

She said in a bid to be in compliance with the labor requirements of Liberia, foreigners seeking work permits are required to pay fees. The DCGTA said LRA would ensure that payments made during the exercise at every location be well validated and monies are paid through the proper channels and accounted for.

Providing updates, the Deputy Commissioner General said revenue collected for labor related services for the first semester of the fiscal year (July 1, 2018- December 31, 2018) was US\$1.37M, while US\$3.50M had been realized from Immigration related services.

# Revenue Performance

## MAY REVENUE OUTTURN



■ Customs Department  
■ Domestic Tax Department

The gross total revenue collection for MAY, 2019 was US\$ 33.715 million and LRD 2.605 billion. The consolidated value at the average exchange rate of 178.70LRD/1USD was US\$ 48.294 million. Against a target of US\$ 40.276 million, actual collection exceeded by US\$8.018 million, an equivalent of 20 percent. When collection is assessed on a year on year basis, current collection increased over previous year collection by 24 percent, (i.e. from US\$38.853 million to US\$48.294 million in current period). However, the collection for May increased by US\$4.142 million or an equivalent of 9 percent above April 2019 collection.

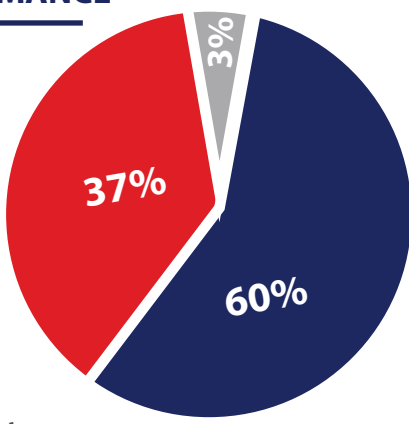
The currency composition showed that 70.0 percent of the total revenue was collected in United States Dollars whilst the remaining 30.0 percent was collected in Liberia Dollars for the month.

There was to external resource intake for the period under review.

During the period, Domestic Tax Department exceeded monthly target of US\$23.225 million by US\$8.736 million or 38 percent. However, Customs Departments felt below its monthly target of US\$17.051 million by US\$0.718 million or 4 percent.

The aggregate collection for the month comprised US\$31.961million or 66% from Domestic Tax Department and US\$16.333 million or 34% from Customs Department.

## YTD-DOMESTIC REVENUE PERFORMANCE



■ External Resources  
■ Customs Department  
■ Domestic Tax Department

As at May 31, 2019, total gross revenue collection consolidated at the average exchange rate of LRD 160.10 to 1USD was US\$441.204 million. When total revenue collection is compared on a year-on year basis, FY18/19 actual exceeded previous year actual by US\$11.460 million, representing 3 percent respectively. Year to date collection in total revenue collection shows that approximately 77 percent of the approved revenue target of 570.148 million was actualized while domestically 85 percent of the approved target of US\$506.195 has been achieved. The positive growth over previous year was due to US\$40.329 million or 10 percent increased in domestic revenue collection.

Unlike domestic revenue, External resources received in the current period contracted by US\$28.869 million or 70 percent to previous year actual. Collection in domestic revenue accounted for 97 percent and collection in external resources (Grants) accounted for the balance 3 percent respectively.



# REVENUE WATCH



## CG Nah Assures Simplified Tax payment System

Commissioner General Thomas Doe Nah appeared on state radio (ELBC) Super Morning Show on Thursday Morning (May 2) and discussed several issues relating to the work of the LRA, need for tax compliance, implementation of the completed DRM Strategy as well as challenges and prospects of the LRA in the collection of the lawful revenues.

In his 45-minute appearance, the CG said Liberians can only get development if all citizens pay their taxes. "It's important that we increase compliance rate of tax payment to increase revenue," the CG said.

He said the government has good development plans on its agenda, but implementation require resources which must come from taxes collected by the LRA.

He informed the public that LRA has completed the country's Domestic Resource Mobilization (DRM) Strategy – (comprehensive document) to facilitate the collection of revenue. With full implementation in the next five years, the country opts to be less reliant on foreign aid. The DRM has key measures in place to tackle and strengthen the country's economy and boost domestic revenue collection.

CG Nah said efforts are being made to ease tax payment through automated (digital) means such as mobile tax payment and other online services being employed at the LRA. "The LRA is working with partners to modernize the system," the CG assured.

The CG said he remains an anti-graft advocate and he will not cease to speak against corruption, because it seriously undermines development and revenue growth. LRA employees has been warned not to engage into corrupt practices and acts

that undermine revenue collection. "It's a serious problem in the country, and public should report any LRA staff who attempt to extort money," noted the Commissioner General.

The LRA in its work, the CG noted, sees everyone as taxpayers—public officials or not—and all must comply with the tax laws of the country. All appointed or elected Public Officials (Minister, Legislators, Justices of the Court and heads of Public Corporations, etc) have been given up to May 30th to pay their Real Property taxes. He disclosed that a list of non-compliant officials would be submitted to the President. Public officials are beneficiaries of public resources and they must be tax non-compliant.

Though there are some struggles, but revenue collection at the LRA has been consistent in most respect said the CG. "In the new budget (2019/2020 fiscal year) we will have to be realistic with the projection, reflecting the reality of our economy. In the coming years, we have to take our budget beyond 800 million."

He continued: "In our DRM, we have to seek and employed ideas to raise money by looking into other sectors like tourism as in Gambia. Sometimes the challenge is not money problem, its idea problem. We have lots of government entities that should take initiatives in their sectors to raise money. We need to invest in tourism. The concept of County Social Development Fund, for example, could be transformed from project-base to production-base for sector like agriculture, rather than building infrastructures that become liabilities to government."

He urged Liberians to be tax compliant "if we must be like Rwanda and Ghana who are moving because the people there pay taxes".

### 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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