

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

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

LRA LAUNCHES E-FILING PLATFORM



The Liberia Revenue Authority (LRA), with support from USAID-funded Revenue Generation Growth Generation (RG-3) in March, officially launched an Electronic Filing (e-filing) platform for the annual filing of Business Income Tax Returns.

The e-filing platform is a system which enables taxpayers to easily file Business Income Tax Returns, and initially targets corporate entities and will later extend to other tax kinds.

The user-friendly platform which is available on the LRA website (www.lra.gov.lr), is also accessible offline in some point during tax filing transactions.

Officially launching the platform on Monday, March 12, 2018, LRA Deputy Commissioner General for Technical Affairs Decontee T. King-Sackie described the launch of the platform as "a vital step forward" in promoting voluntary compliance.

The launch of the e-filing program is part of sustained efforts of the LRA to modernize the tax environment and improve voluntary compliance.

"We are very proud and honored to be launching

e-filing in Liberia for the first time, and this will boost revenue collection for Mama Liberia," she noted.

The LRA DCGTA urged taxpayers to fully make use of the system to file their annual corporate returns on time with ease.

Madam King-Sackie praised RG3 for its support to the LRA in transforming revenue collection for the Government and people of Liberia.

Speaking earlier, RG3's Performance Improvement Advisor Mohammed Swaray, lauded the setting up of the online tax filing platform and indicated that the service will greatly ease tax filing in Liberia.

He assured that the RG-3 remains committed to supporting the LRA in its efforts to transform the tax environment in mobilizing domestic revenue for Liberia.

The launch event which took place at the LRA Headquarters in Paynesville, was graced by representatives of major private corporations and businesses operating in Liberia.



LRA Praises 86 & 78 Years Old Visually Challenged Citizens For Paying Their Real Estate Taxes

The Liberia Revenue Authority (LRA) was excited in March when two visually challenged women in their late 70s and 80s exhibited high level of tax compliance and patriotism.

The two senior citizens, escorted by their children, walked to the headquarters, voluntarily declared and paid their real properties taxes, stating that it was their obligations to pay taxes for the development of their country.

Mrs. Anna Peabody (86 years) and Mrs. Victoria Ireland (78 years) met and told the Assistant Commissioner for Real Estate Tax Division, Isaac Beyan Stevens, that they had come to settle their tax obligations on their residential properties.

Mrs. Peabody narrated that as a Liberian, she had been paying taxes for decades, and remains committed to doing that, despite her challenge, but expressed concern about the increase in the residential property tax rate.

According to Mrs Peabody, all of her properties have been registered with the LRA and are captured in the real estate property tax net.

For her part, Mrs. Victoria Ireland, a longtime taxpayer herself, reaffirmed her commitment to voluntary tax compliance as she believes paying tax is a national obligation that contributes to Liberia's development agenda. She also expressed concern about the increase in the real property tax rate.

The two citizens thanked and encouraged the LRA to increase tax awareness and education to enlighten Liberians to embrace and cultivate a sustainable tax compliant culture.

Assistant Commissioner Stevens thanked the two senior citizens for their patriotism, loyalty, and commitment to their Country and urged other citizens and residents of Liberia to follow suit.

LRA Conducts Tax Clinic With Business Stakeholders On Timely Filling And Risk Reporting



The LRA remains determined in the enforcement and collection of lawful revenues, while working with all stakeholders, especially the business community, to enhance compliance and boost domestic resource mobilization.

The Authority wants businesses in the country to operate in the confines of the law and pay their taxes in line with the Liberia Revenue Code to foster national development.

The call was made when the Large Tax Division of the Domestic Tax Department held a one-day tax clinic with several business stakeholders on timely filling in March.

The event held at the LRA Headquarters in Paynesville, focused on issues hindering the accurate filling of tax records including timely payment of taxes by taxpayers in the Large Tax sector.

Tax registration, return filling, tax payment and reporting of tax obligations, risk reporting, among others, were also highlighted during the tax clinic.

Addressing the forum, Eddie H. Howe, LRA Large Tax Manager for Analysis, Assessment and Accounting disclosed that the initiative was further intended to identify issues affecting the taxpayers and the LRA respectively in the payment and collection of lawful revenue.

The discussion also considered the formulation of plans and strategies to curtail identified challenges.

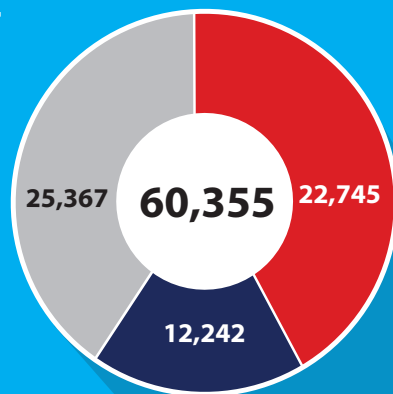
Mr. Howe encouraged the business stakeholders to always consider early filling of tax records and payment in order to avoid general payment risk, noting that the LRA will not hesitate to punish taxpayers who under-declare their tax obligations.

Meanwhile, some of the business stakeholders urged the LRA to ensure a proper verification of taxpayers' records and profile of businesses to avoid duplication and wrong identification. This, they said, would enhance tax compliance and boost revenue collection.

REVENUE PERFORMANCE

MONTHLY UPDATE

MARCH REVENUE OUTTURN



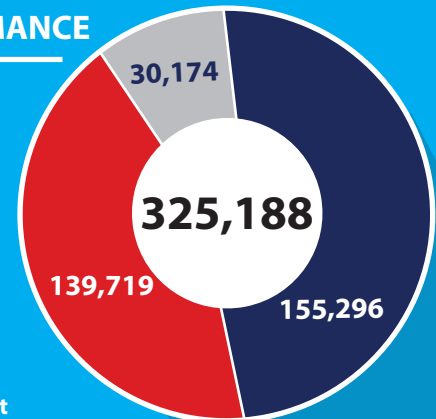
■ External Resources
■ Domestic Tax Department
■ Customs Department

The gross revenues collected by the Liberia Revenue Authority in the month of March 2018 were US\$52.283 million and LRD 1.054 billion. The consolidated value at the average realized exchange rate of 130.60LRD/1USD is US\$60.355 million. This amount collected fell below its monthly target of US\$65.449 million by US\$5.095 million, an equivalent of 7.8 percent. Total collection for the month in the current fiscal year, when compared to the same period last fiscal year 16/17, show a significant drop in domestic revenue from US\$50.604 million to US\$40.082 million, an equivalent of US\$15.617 million or 31 percent.

The drop in domestic revenue in the current period is attributed to LPRC Road Fund, WH on salaries and Wages, import duties on general imports, international GST, excise taxes on alcohol and tobacco and

non-remittance of dividends budget support from National Port Authority. Together they account for 100 percent of the total decline. In terms of revenue sources and GFS Structure, domestic revenue account for US\$34.987 million, representing 58 percent; while External Resources account for US\$25.387 million, representing 42 percent. In terms of the core revenue departments, Domestic Tax Department accounted for US\$17.599 million and LRD671.684 million, with consolidated value US\$22.745 million, representing 38 percent of the total collection and 65 percent of domestic revenue while Customs department accounted for US\$ 9.316 million and LRD382.538 million, with consolidated value of US\$12.242 million, representing 20 percent of the total collection and 35 percent of domestic revenue respectively.

YTD-DOMESTIC REVENUE PERFORMANCE



■ External Resources
■ Domestic Tax Department
■ Customs Department

The year to date gross revenue collections (July-March 2018) were US\$228.952million and LRD 13.160 billion. The consolidated monthly aggregate value is US\$339.726 million. However, of the total collection US\$11.344M and LRD359.304M were obligations for last fiscal year 16/17 but actualized in the current fiscal year. The current collections year to date are US\$ 217.607 million and LRD 12.799 billion. The consolidated value at the average realized exchange rate of 130.60LRD/1USD is US\$325.188 million, which against a target of US\$327.488 million, registered a decline of US\$2.300 million or 0.71 percent. When compared to the same period of last fiscal year, total revenues contracted by US\$ 67.052 million, resulting from US\$ 35.190

million decline in domestic revenue and US\$ 31.862 million decline in external resources respectively. Domestic Tax Department accounted for US\$100.048 million and LRD 6.666 billion. The consolidated monthly aggregate value, US\$155.296 million was realized, representing 48 and 53 percent of total and domestic revenue respectively. On the other hand, Customs Department accounted for US\$87.385 million and LRD 6.133 billion. The consolidated monthly aggregate value, US\$139.719 million was realized, representing 43 and 47 percent of total and domestic revenue. Total amount on account of External resources realized for the period was US\$30.174 million or 9.3 percent of the total collections to date.

LRA Reviews 1st Semester Performance

The Liberia Revenue Authority (LRA) late in March held a two days Senior Management retreat in Monrovia to review performance, success and challenges for the first half of the fiscal year 2017/18.

The event which took place on the 23rd and 24th of February was specifically meant to review Quarter 1 (July-September 2017) and Quarter 2 (October –December) of the Authority's Annual Work.

During the event, the various Departments, Sections and Units of the Authority made presentations on the percentages of implementations made with respect to their work plans – highlighting challenges and successes. They proffered recommendations and strategies as well as resources required for the second half of the fiscal year which ends June 30.

Meanwhile, at the close of the two-day event, Commissioner General Elfrieda Stewart Tamba applauded participants for their respective roles and called for more collaborative efforts in achieving targets set in the annual business plan.

The CG emphasized that Service, Teamwork, Integrity and Commitment, which are the core values of the LRA, remain very cardinal in achieving the objectives of the Authority. The CG then presented two separate motivational awards of recognition to climax the event.

Darlington Dahn of the Large Tax Audit Division received a certificate and a cash award of US\$100. The second award— Best Presentation Award—was clinched by the Technical Department (headed by the Deputy Commissioner General for Technical Affairs, Deontee T. King-Sackie. The Award also carried a certificate and a cash prize of US\$100.

REVENUE WATCH

ATAF Lauds LRA For Inclusive Tax Stakeholders Engagement

The Liberia Revenue Authority (LRA), though a young establishment, is one of the tax authorities on the African Continent setting admirable examples in engaging citizens on tax compliance, an executive of the African Tax Administration Forum (ATAF) has said. Madam Mary Baine, ATAF Head of International Taxation and Technical Assistant told over 70 journalists and tax communicators in Johannesburg, South Africa, on March 28 that the LRA's example in engaging all stakeholders is worth emulation by other tax authorities in Africa.

Madam Baine was making reference to the Liberia's first-ever National Revenue Symposium held under the auspices of the LRA in July 2017.

Former President Ellen Johnson Sirleaf delivered the opening statement and also served as a moderator at the event held with support from the United Nations Development Program (UNDP) and the United States Agency for International Development (USAID) under the theme "Domestic Revenue Mobilization."

During the symposium, findings from four regional dialogues on domestic resource mobilization held in 2016 and early 2017 were presented to stakeholders as a basis for discussions in carving a national domestic resource mobilization agenda.

Speaking at the climax of the first Media Engagement and Training organized by ATAF, Madam Baine said she was privileged to be part of the discussion that discussed Liberia's medium term revenue strategy.

Madam Baine, also former Commissioner General of the Rwanda Revenue

Authority (RRA), served as a panelist and discussed Domestic Resource Mobilization and Revenue Protection.

"I was really impressed by the way it was done and what Liberia's revenue administration has been doing; but what really impressed me was the way they were going about in putting together the national strategy.

The former RRA head said "what really touched me was the way they went out to the different provinces (counties) and then ended up in the capital with a large number of taxpayers, tax administrators and local and international partners to discuss the strategy."

The ATAF executive noted that she was further enthralled to see a room full of taxpayers and policymakers together discussing the future of Liberia in terms of development agenda.

Speaking further in an interview with Liberian journalist, Madam Baine noted that it was a commendable process to see former President Sirleaf chair a session.

"To me, it was it really amazing and an example that we needed to share across the Continent of Africa."

The ATAF executive praised the strong leadership of LRA Commissioner General Elfrieda Stewart Tamba, and noted that her leadership has helped to elevate the



Madam Mary Baine

LRA and tax administration in Liberia.

"I am happy to see Madam Tamba as the Commissioner General of LRA and also happens to be a Governing Council Member of the ATAF, where she remains articulate and full of energy in driving reforms on tax matters on the continent," she noted.

Madam Baines said she has seen heads of government, including in her country, gathering to discuss tax matters, but Liberia's was different as it started with the people from the bottom before climaxing in Monrovia.

She then called on other countries to use Liberia's example of engaging stakeholders, by including everyone and hearing from the people at all levels.

EDITORIAL TEAM

Elfrieda Stewart Tamba

D. Kaihenneh Sengbeh

Victor Kummeh Seah

Jerry Laynumah Siakor

Tyrence Walter Moore, Jr.

Manager, CMPA /Excutive 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

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

Phone: +231-0886586531/0777586531