

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

MISSION ACCOMPLISHED

Dial

***144#**

Orange Money



Mobile Tax Payment Service Begins



100% easy to use

Modernizing the country's tax system remains a key priority of the LRA. Goal Four of the Authority's 5-year Corporate Strategic Plan squarely articulates this objective: Transforming Revenue Administration by Utilizing Effective Information and Communication Technology. Via this the, LRA is bent on deploying and operationalizing modern revenue administration technologies to improve compliance and effectiveness, thereby enhancing domestic resource mobilization.

To this end, Liberia witnessed a new system of tax payment on April 12, 2018, when President George M. Weah officially launched the country's first-ever mobile tax payment platform. With the platform, taxpayers pay their taxes using existing mobile phone money transfer platforms.

President Weah did not only launch the initiative, but also became the first Liberian to pay his taxes (Real Estate) through the system.

The mobile tax payment platform is operated by Orange Liberia GSM network, while the United Bank for Africa is managing the payment deposits. The user friendly service is accessible 24/7.

"I am using the platform to pay my taxes, so I am now urging you to do same," the Liberia leader noted, demonstrating the lead-by-example philosophy.

He emphasized the need for all Liberians to begin adapting to the culture of tax payment as a means of contributing to the development of the nation.

Meanwhile, LRA Commissioner General Elfrieda Stewart Tamba said the launch of Mobile Tax Payment Service in Liberia is a key millstone in the history of the Authority in implementing Goal Four of its Corporate Strategic Plan which highlights the

transformation of Liberia's tax administration by utilizing effective ICT tools.

"It takes people hours or even days to travel and stand in line to pay taxes, but with this launch, one can pay his or her taxes from the comfort of their home, office or even while on the move in less than five minutes," CG Tamba explained.

She said by making the tax payment easier through the introduction of the Mobile Tax Payment platform is one way the LRA can achieve its objective of facilitating voluntary compliance and strengthen domestic resource mobilization.

The LRA CG reaffirmed the Authority's commitment to transforming and modernizing tax administration in Liberia with the aim to enhance the financing of the government's 'Pro Poor Agenda'.

She thanked all stakeholders including USAID, the United Bank for Africa, Orange and Lone Star Communications Networks, the Central Bank of Liberia and development partners for immensely supporting the success of the platform.

The payment service covers all tax and non-tax fee collections including Business Income Tax (2% & 4%), Corporate Income Tax, Personal Income Tax, Excise Tax, GST, Withholding, Real Estate Tax, as well as Birth, Marriage, Travel Clearance, Fire Safety, Business Registration Renewal Certificates.

Also speaking, USAID - Liberia Mission Director Anthony Chan said the service will greatly contribute to the collection legitimate taxes by the LRA.

Mr. Chan assured the Liberia Government of USAID/RG3 Project continua's effort to enhance and enable Liberia's tax system to achieve domestic resource mobilization and revenue generation.

TAKING THE CAMPAIGN TO THE CAPITOL

LRA Enlightens Lawmakers On Real Property

In its never-ending and progressive campaign to ensure that the lawful revenues are collected, the LRA, through its Real Estate Tax Division, in late April held a fruitful tax clinic (awareness engagement) with the Honorable Members of the National Legislature at the Capitol Building.

During the exercise, conducted on April 24 in the Chamber of the Lower House, the LRA made a presentation on key processes and procedures on how the lawmakers (taxpayers in general) could to be complaint with their real property tax payment.

Domestic Tax Commissioner Darlingston Y. Talery said the LRA is mandated to encourage Liberians to embrace the culture of paying taxes in order to collect revenue to finance the development of the country.

Commissioner Talery explained to the lawmakers their real property tax obligations under the law, the step-by-step procedures in paying

these taxes and the kinds and categories of real property taxes including residential, commercial as well as rural and urban properties.

During his presentation, the Domestic Tax Commissioner explained the enforcement procedures of overdue taxes after due dates and also provided enlightenment on rental income tax payments for those who are renters.

Meanwhile, the Speaker of the House of Representatives Honorable Bhofal Chambers welcomed the awareness by LRA. The speaker noted that as indicated by law, it is an obligation of every citizens in the Republic to pay their real estate property tax.

The Speaker described the LRA's initiatives as brilliant and lauded the Authority on behalf of the Legislature for the enlightenment exercise.

LRA/LMDI Strengthen Tax Awareness In Rural Liberia

Citizens Applaud Initiative, Want Development Decentralized



LRA/LMDI Roadshow team in actions as citizens look on

The Liberia Revenue Authority (LRA) in collaboration with the Liberia Media Democratic Initiative (LMDI) in April launched a Tax Education Roadshow to reach several potential taxpayers in rural Liberia.

Commissioner General Elfrieda Stewart Tamba on April 2, launched the LRA/LMDI Roadshow in Monrovia.

The Roadshow was launched to cover several urban and rural cities, towns and villages in four selected counties.

The project, sponsored by the Open Society Initiative for West Africa (OSIWA), is part of massive efforts to sustain the LRA tax education program with the aim of enhancing the knowledge of rural dwellers about Liberia's general tax regime.

The campaign is a key component of the Student Tax Education Program (STEP) which specifically targets enhancing tax awareness in Montserrado, Nimba, Grand Gedeh and

Grand Bassa Counties. Roadshow activities have however covered several areas in Bong County including Palala, Gbartala, and Totota. Pulling hundreds of citizens in town halls and school auditoriums, the roadshow has also reached citizens in Compound No. 2 of Grand Bassa County; Saclepea, Ganta, and Negbein in Nimba County.

Being implemented by the Liberia Media Democratic Initiative (LMDI) through an interactive outreach media platform code named "The Dialogue", the awareness campaign is focusing on the payment of taxes, especially simplifying the processes of Real Estate and Small Business Tax payments. It's also involved with the establishment of Tax Clubs in selected high schools and the organization of quizzing competitions and debates between and amongst the high schools.

Meanwhile, rural dwellers have lauded the

LRA and LMDI for the conduct of the roadshow, expressing their willingness to be part of the tax payment process.

They described tax payment as a major boost for nation building, but called for a more transparent and genuine collection and usage of taxes including the decentralization of the country's developmental programs.

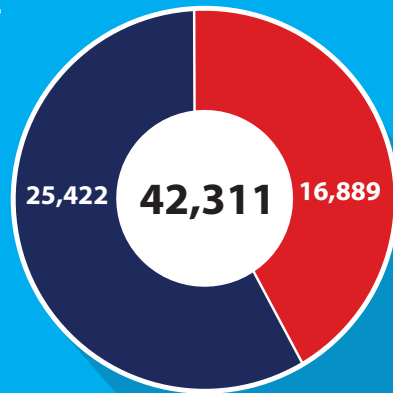
The people described the exercise as a welcoming game changer for the lawful collection of taxes for Liberia's development. LRA Commissioner General Elfrieda Stewart Tamba, launching the roadshow on April 2, described the campaign as a vital initiative geared towards strengthening domestic resource mobilization for Liberia.

"It is through tax education that we can harden voluntary compliance and this remains a cogent part of our Corporate Strategic Plan," she indicated.

REVENUE PERFORMANCE

MONTHLY UPDATE

APRIL REVENUE OUTTURN

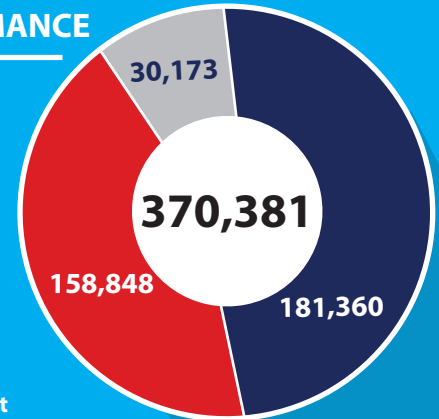


■ Domestic Tax Department
■ Customs Department

Gross total outturn for the month of April 2018 is US\$42.311 million. This amount realized against the monthly target of US\$42.319 million, registered US\$8.100 thousand underperformance. The total revenue outturn for the month represent 100 percent domestic revenue. In terms of contribution according to the GFS (Government Finance Statistics) Structure, the monthly outturn account for 10

percent and 12 percent of total and domestic outturn achieved to date respectively. In terms of administrative or operational departments, Domestic Tax Department contributed 60 percent, while Customs Department contributed 40 percent of the total April outturn. The below figure summarizes the monthly outturn for April.

YTD-DOMESTIC REVENUE PERFORMANCE



■ External Resources
■ Domestic Tax Department
■ Customs Department

The year to date gross outturn (July-April 2018) was US\$384.919 million. However, of the total outturn US\$11.344 million and US\$3.193 million were obligations for last fiscal year (FY16/17) but actualized in the current fiscal year (FY17/18). The current outturn year to date is US\$370.381 million. The current outturn, against a target of US\$369.807 million, registered an increase of US\$573.81 thousand or 0.2 percent. When compared to the same period last fiscal year, total outturn for FY17/18 declined by US\$ 61.377 million, due to a decline of US\$ 31.862 million in

external resources and US\$ 29.515 million in domestic revenue respectively. Domestic Tax Department accounted for US\$ 181.360 million, representing 47 and 53 percent of total and domestic revenue respectively. On the other hand, Customs Department accounted for US\$158.858 million, representing 43 and 47 percent of total and domestic revenue respectively. External resources realized to date was US\$30.173 million or 8 percent of the total outturn. The below figure summarizes the year to date outturn as at April 30.

False Declaration Undermining Government's 'Pro Poor' Agenda



Commissioner Saamoi displaying some falsely disclosed coat suits

The Liberia Revenue Authority (LRA) in early April decried increasing acts of under and false declarations by importers, especially through the Freeport of Monrovia, which the Authority indicated have the propensity to undermine the Liberian Government's Pro Poor Agenda for development.

Addressing a regular Ministry of Information press briefing on April 19 in Monrovia, LRA Commissioner of Customs Saa Saamoi said some importers were engaged in the fraudulent acts of under declarations and false declarations at the detriment of the country.

He displayed some falsely declared goods including coat suits and backpacks during the press conference, saying that importers are declaring untruthful values of their imports in a bid to avoid paying the actual taxes due the government and people of Liberia.

A coat suit sold for between US\$55 and US\$65 was being declared at US\$0.90 (Ninety Cents). The least price at which such coat suit should be declared is US\$10.20. Also, the Commissioner told the press conference that backpacks sold at US\$15 were being declared far less than a dollar. Said backpacks are declared at around US\$2. Commissioner Saamoi said such acts were dishonest and seriously undermine the government's pro poor development agenda and domestic resource mobilization efforts.



Partial view of seized falsely declared goods

REVENUE WATCH

LRA Validates Draft Domestic Resource Mobilization Strategy



The Liberia Revenue Authority (LRA) in collaboration with the Ministry of Finance and Development Planning (MFDP) in April commenced the final validation of the country's draft Domestic Resource Mobilization (DRM) Strategy.

Two separate regional validation exercises were planned respectively in Buchanan, Grand Bassa County and Gbarnga, Bong County, bringing together stakeholders from the 15 counties.

The validation exercise provided an opportunity for stakeholders at the county level to review and make final inputs into the draft DRM Strategy with the aim to harmonize a genuine national strategy to drive Liberia's domestic resource mobilization agenda.

With support from the Integrated Public Financial Management Reform Program-II, the event in Buchanan brought together participants from Grand Bassa, Grand Kru, River Gee, Rivercess, Sinoe, Maryland, Grand Gedeh, Bomi, Monterrado and Grand Cape Mount Counties.

Participants included local officials, members of the business community,

representatives of the civil society and non-governmental organizations.

The domestic resource mobilization strategy validation exercise was the result of four regional dialogues, which culminated into a National Revenue Symposium in June 2017 on domestic resource mobilization, during which a document inclusive of plans and ideas on how to initiate a domestic resource mobilization strategy for Liberia, was formulated.

The participants, among others, highlighted the need for key measures such as effective monitoring system for revenue collection to avoid corruption, the introduction of a massive tax education campaign, the full implementation of the country's tax laws, among others.

The stakeholders stressed need for the tax authority to boost its manpower across the country and empower its local tax officials. This, they said, will buttress enforcement, compliance and accelerate revenue collection and growth.

An international consultant and Senior Technical Advisor on Domestic Resource

Mobilization, Momodou Foom, said there was need to promote a holistic push for sustainable capital investment in the local economy.

Serving as the lead facilitator during the DRM validation exercise, Mr. Foom said the locals themselves must exert huge efforts to invest in the economy. He said such step plays a major role in the domestic resource mobilization process and serves as a key pillar in facilitating revenue enhancement and economic growth.

The domestic resource mobilization strategy effort led by the LRA and partners is in line with a global crusade highlighting DRM as pivotal for African countries to finance the Post-2015 Sustainable Development Goals (SDGs) and the Africa Action Agenda (AAA) 2063.

SDG 17.1 in particular is the target set to track and measure strengthening domestic revenue mobilization in countries through taxation as a key means of implementation while enjoining the donor community to support domestic capacity building for tax and other revenue collection.

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