



**REPUBLIC OF LIBERIA
MONROVIA, LIBERIA**

PRACTICE NOTE No. 1 – 2016

REF.	CALCULATION OF CUSTOMS DUTIES, ECOWAS Levy (ETL), Luxury Tax, Excise Tax and Goods Tax (GST) on Imports
LRC REF.	1701, 1000, 1120, 1121, 1160
Issue Date	June 24, 2016
Effective Date	July 1, 2016
Issued by	Elfrieda Stewart Tamba (Mrs.)-CG

WHEREAS, Section 1701 of the Revenue Code of Liberia Act of 2000 as Amended states that, there shall be levied, collected, and paid on all goods imported into Liberia import duties at the rates set forth in this Chapter's Schedule 1, External Tariff Schedule;

WHEREAS, Schedule 1 of the Harmonized Commodity Description and Coding System (External Tariff) contains the commodity listing with applicable import duty rates;

WHEREAS, Section 1141 of the Revenue Code of Liberia Act of 2000 as Amended states that, "Excise tax at the rate of 10% shall be charged on the following luxury goods imported to or manufactured in Liberia: (1) Luxury automobiles (2) Jewelry"

WHEREAS, Section 1000 (a) of the Revenue Code of Liberia as Amended imposes goods tax on every Taxable Supply;

WHEREAS, Section 1000 (b) sets the rate of Goods Tax at 7% taxable amount, except for alcoholic beverages which Goods Tax rate is 10%;

WHEREAS, Section 1004 (d) defines Taxable Amount of a Taxable Import as the sum of:

1. CIF Liberia Port of Customs Entry
2. If not included in the CIF Liberian Port or Customs entry value, the value of incidental services as defined in Section 1002(c)(2); and
3. The customs duty, customs service fee, ECOWAS Trade Levy, and excise tax (if any) on import.

WHEREAS, Section 1120 of the Liberia Revenue Code of 2000 as Amended states that, "Excise tax, at a rate of 35 percent shall be levied on all beverages with an alcohol content in excess of one percent, including beer, wine, stout, ale, gin, whisky, bourbon, and other products intended for consumption by mouth that have the requisite alcohol content, whether imported to or produced in Liberia, but not including pharmaceutical products or medicinal preparations (for example, cough suppressants or similar products) if certified by the Pharmacy Board";

WHEREAS, Section 1121 of the Liberia Revenue Code of 2000 as Amended in 2011 states that, "Excise tax at a rate of 35 percent shall be levied on tobacco and on any product containing tobacco, including cigarettes, cigars, snuff, chewing tobacco, and similar products, whether imported to or manufactured in Liberia";

WHEREAS, Section 1160(c) of the Liberia Revenue Code of 2000 as Amended in 2011 states that, "The amount of excise tax levied under the provisions of this Chapter shall be calculated on the duty-paid value of imported goods, or the manufacturer's cost price value of goods manufactured in Liberia, multiplied by the tax rate expressed as a percentage";

WHEREAS, Section 1160(e) of the Liberia Revenue Code of 2000 as Amended in 2011 states that, "The term "duty-paid value" used in this Section refers to the value defined in Section 1004(d) as the amount of a taxable import"; And

WHEREAS, Section 1004(d) defines taxable import as "the sum of the following amounts—

- 1) The CIF Liberian Port or Customs entry value, whichever is applicable;
- 2) If not included in the CIF Liberian Port or Customs entry value, the value of incidental services as defined in Section 1002(c)(2); and
- 3) The customs duty, customs service fee, ECOWAS Trade Levy, and excise tax (if any) on import";

WHEREAS ALSO, Section 1000 (b) (3) of the Liberia Revenue Code of 2000 as Amended in 2011 states that "The rate of goods tax is 7 percent of the Section 1004 taxable amount, except that—

(A) If the supply is of an alcoholic beverage, 10 percent".

The Government of Liberia, through the Liberia Revenue Authority, hereby provides further awareness on the calculation of all customs duties and other levies in line with the Revenue Code provisions cited above as follows:

A. Import duties

1. *Ad valorem* – CIF multiplied by duty rate

Eg: CIF = \$ 10,000; duty rate = 20%

Import duty = \$ 10,000 * 20% = \$2,000.00

2. *Specific* – Unit of measurement multiplied by duty rate

Eg: Unit quantity = 500 liters; duty rate = \$5/Lt.

Import duty = 500 * \$5 = \$2,500.00

B. Community Levy (ETL)

CIF multiplied by ETL rate (0.5%)

Eg: CIF = \$10,000.00; ETL Rate = 0.5%

ETL = \$10,000.00 * 0.5% = \$50.00

C. Luxury Tax

1. *Used Vehicles (value above \$ 20,000.00):*
CIF multiplied by Luxury Tax rate
Eg: CIF = \$20,100.00; Luxury Tax rate = 10%
Luxury Tax = \$20,100.00 * 10% = \$2,010.00
2. *New Vehicles (Value above \$40,000.00):*
CIF multiplied by Luxury Tax rate
Eg: CIF = \$40,100.00; Luxury Tax rate = 10%
Luxury Tax = \$40,100.00 * 10% = \$4,010.00

D. Excise Tax

1. *Imported Alcoholic beverages and tobacco products*
CIF plus Import Duty plus ETL plus CUF multiplied by rate (35%)
Eg: CIF = \$10,000.00; Import Duty = \$1,000.00; ETL = \$50.00;
CUF = \$150.00
Excise Tax = (\$10,000 + \$1,000 + \$50 + \$150) * 35%
= \$ 11,200 * 35% = \$3,920.00
2. *Other imported products*
CIF multiplied by Excise Tax rate
Eg: CIF = \$10,000; Excise Tax rate = 10%
Excise Tax = \$10,000 * 10% = \$1,000.00
3. *All locally manufactured excisable products*
Manufacturer's cost price value (ex-factory price) multiplied by Excise Tax rate.
Eg: Ex-factory price = \$10,000.00; Excise Tax rate = 35%
Excise Tax = \$10,000 * 35% = \$3,500.00

E. GST

CIF plus Import Duty plus ETL plus Excise Tax plus CUF multiplied by GST rate.
Eg: CIF = \$10,000.00; Import Duty = \$1,000.00; ETL = \$50.00; Excise Tax = \$3,500.00

GST = (\$10,000 + \$1,000 + \$50 + \$3,500) * 10% for alcoholic beverages.
GST = \$14,550 * 10% = \$1,455.00

GST = (\$10,000 + \$1,000 + \$50 + \$3,500) * 7% for all other products
GST = \$14,550 * 7% = \$1,018.50

Signed: 

COMMISSIONER GENERAL