



# **LIBERIA REVENUE GENERATION FOR GOVERNANCE AND GROWTH (RG3)**

**May 2016 – May 2021 | Implementer: DAI**

The Revenue Generation for Governance and Growth (RG3) activity is building the capacity of targeted Government of Liberia (GOL) institutions, including the Ministry of Finance and Development Planning (MFDP) and the Liberia Revenue Authority (LRA), to improve domestic revenue mobilization in Liberia. RG3 supports MFDP to formulate sound, predictable, and fair revenue policies. It also supports the LRA to enhance its ability to implement those policies and carry out its revenue collection mandate effectively, efficiently, and transparently.

## **Current Activities**

- Drafting excise tax and excise stamps operational manuals; support for the introduction of excise stamps
- Drafting of amendments to the Liberia Revenue Code (LRC)
- Development of a micro-simulation for taxation
- Development of an e-learning platform for the LRA
- Capacity building, including the development of a comprehensive package on tax system and administration for induction training of new LRA officers
- Development of the Tax Arrears Transaction System (TATS)
- Support for LRA's compulsory e-filing for medium-size taxpayers
- Rollout of mobile payments to select GOL institutions
- Upgrading LRA's communication strategy and tax education materials
- Support for LRA taxpayer service: drafting of operational manual and training curriculum, and development of FAQs database
- Preparation of third taxpayer perception survey
- Support for LRA's annual Taxpayer Appreciation Day

## **Accomplishments to Date**

- New Excise tax chapter of the Revenue Code passed into law
- Excise regulations, excise stamps administrative procedures/guidelines, excise implementation strategy, and excise educational materials approved and published

- An extensive excise outreach program launched
- Tax payments through all commercial banks instituted
- E-filing implemented and made compulsory for the large taxpayers
- Data Processing Center established for increased accuracy and transparency
- Mobile payments instituted for fees to be collected by five GOL pilot agencies
- Increased tax payment transactions through SMS reminders and system improvements
- Cost of Compliance survey completed and submitted to LRA
- Conducted 2 mobile taxpayer perception surveys to identify issues and inform LRA taxpayer service
- Detailed Goods and Sales Tax (GST) regulations prepared, approved and implemented
- Excise, GST and Corporate Income Tax (CIT) return forms simplified, approved, implemented and automated for e-filing
- Increased taxpayer education by improving performance of the LRA Call Center
- Improved transparency and service delivery through creation of Taxpayer Advocate Office at LRA
- Development of Value-added tax (VAT) white paper, road map, VAT policy briefs and draft VAT law
- Capacity building through series of training sessions on excises, VAT, indirect taxation, CIT, audit, e-filing etc. (over 12,000 person hours)
- Reviewed LRA audit manual to be used as a training guide and for audit purposes
- Supported the LRA implementation of Real Estate Tax pilot mapping in Montserrado County

## **Planned Outcomes**

- Increased tax revenues as percentage of GDP (FY 2019/20: 11.8%)
- Reduced costs of compliance
- Improved tax policymaking and business environment
- Enhanced capacity to implement taxes properly and effectively
- Increased taxpayer education and compliance
- Improved taxpayers' perception of fairness by LRA
- Reduced opportunity for corruption