



**“AN ACT TO AMEND THE REVENUE CODE OF LIBERIA, PHASE  
ONE OF THE REFORM TAX CODE OF LIBERIA, A.D. 2000, AS  
AMENDED BY THE CONSOLIDATED TAX AMENDMENTS ACT OF  
2011, TO REFORM EXCISE TAX LAW (2018)”**

**APPROVED: DECEMBER 14, 2018**

**PUBLISHED BY AUTHORITY  
MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA**

**PUBLISHED: JANUARY 8, 2019**



**AN ACT**  
**TO AMEND THE REVENUE CODE OF LIBERIA, PHASE**  
**ONE OF THE REFORM TAX CODE OF LIBERIA, A.D 2000,**  
**AS AMENDED BY THE CONSOLIDATED TAX**  
**AMENDMENTS ACT OF 2011,**  
**TO REFORM EXCISE TAX LAW (2018)**

**AN ACT**  
**TO AMEND THE REVENUE CODE OF LIBERIA, PHASE ONE OF**  
**THE REFORM TAX CODE OF LIBERIA, A.D 2000, AS AMENDED BY**  
**THE CONSOLIDATED TAX AMENDMENTS ACT OF 2011, TO**  
**REFORM EXCISE TAX LAW (2018)**

WHEREAS, Liberia does not use excise stamps or petroleum marking to enforce excise taxes, even though 90% of countries in the world use excise stamps and some use petroleum marking;

WHEREAS, Liberia uses ad valorem rates (expressed in % of value) which encourages undervaluation at importation (fake invoices with low values);

WHEREAS, more experience countries moved to specific rates (cents per unit of measurement, like 30 cents per pack of cigarettes, etc.);

WHEREAS, to address these issues, it is essential that Part IV of the Reform Tax Code of Liberia 2000, as Amended by the Consolidated Tax Amendments Act of 2011, be revised to improve tax policy, support the proper collection of government revenues and protect the people and industries of Liberia against threats to safety, security, and fiscal and economic well-being;

NOW, THEREFORE,

It is enacted by the Senate and the House of Representatives of the Republic of Liberia in Legislature assembled:

**ARTICLE 1. SHORT TITLE**

This Act shall be referred to as “the Reformed Excise Tax Law of Liberia (2018)”.

**ARTICLE 2. AMENDMENT OF PART IV – EXCISE TAXES**

Immediately upon publication of this Act, Part IV (Excise Taxes) of the Revenue Code of Liberia (2000) as Amended by the Consolidated Tax Amendments Act of 2011 shall be replaced in its entirety with the following:



- (a) In the case of domestic production, the taxable transaction is the removal of excisable goods from the production premises in Liberia
- (b) In the case of imports, the taxable transaction is the import of excisable goods onto the Liberia
- (c) In the case of service, the taxable transaction is the provision of excisable services in Liberia

#### **Section 1106 Excisable Goods and Services**

Excisable commodities shall include:

- (a) Alcoholic and non-alcoholic beverages (excluding water of the heading 2201 of the HS Code)
- (b) Tobacco and Tobacco products
- (c) Luxury good: jewelry and luxury vehicles and vessels (including boats and yachts and other vessels for sports and pleasure) "Luxury Vehicles" means any automobile that is in the class of private passenger automobiles and that has a minimum of a CIF value of US\$ 40,000.00 for a new car or US\$ 20,000.00 for a used car
- (d) Cosmetics
- (e) Sugar
- (f) Gambling equipment

Note: No excise tax should be introduced through Customs Tariff and/or any regulations on items other than specified as excisable items through this Code.

#### **Section 1107. Exemptions**

Following items shall be exempt from excise tax:

- (a) Aviation fuel shall be exempted from excise tax in accordance with the system of registration and exemption certificates set forth in the regulations;
- (b) Denatured ethyl alcohol used for industrial/medical purposes and not fit for beverage / human consumption;
- (c) Goods purchased or imported for official use by foreign diplomatic missions and representative offices with equivalent status, and also for the personal use of diplomatic/consoler personnel of these missions, including their family members who are residing with them, and which are exempt in accordance with international agreements to which the Republic of Liberia is a party;
- (d) Imports by bona fide travellers, and returning residents and for articles to be re-exported that apply for customs purposes will apply for excise tax purposes; and
- (e) Goods in transit and trans-shipment
- (f) Alcoholic beverage produced by a physical person for self- consumption within the limit fixed by the Government of the Republic of Liberia. Similarly, import of one litre of alcoholic beverage and one cartoon of (200) cigarettes by a physical person for personal consumption.



### **Section 1111. Calculation of Tax**

Excise tax shall be calculated as follows:

- (a) In the case of excisable items on which tax rate is expressed as a fixed amount per unit of measure of the goods tax shall be calculated by multiplying the excise tax rate by the appropriate number of units of excisable goods;
- (b) In the case of items on which tax rate is expressed as a percentage of the value, tax shall be calculated by multiplying the tax base of the excisable goods by the rate.
- (c) In the case of excisable items on which tax rate is expressed in both ad valorem and specific terms and whichever is higher will be the applicable rate, tax shall be calculated by multiplying the excise tax rate by the appropriate number of units of excisable goods or by multiplying the tax base of the excisable goods by the rate, whichever is the higher amount shall be the tax liability of the taxpayer.
- (d) In the case of excisable items on which excise rates are expressed as the combination of both specific and ad valorem rates, tax shall be calculated by multiplying the excise tax rate by the appropriate number of units of excisable goods and by multiplying the tax base of the excisable goods by the rate.

### **Section 1112. Tax deductions**

Excise tax paid on inputs shall be deducted as follows:

- (a) Deductions may be applied to excise taxes paid in Liberia when excisable goods are acquired or imported onto the customs territory of Liberia, if said goods are used in the future as basic raw materials for the production of excisable goods. For the purpose of this section, fuel will not be considered as a raw material for the production of excisable items.
- (b) A deduction provided for under this item shall be applied to the amount of excise tax calculated on the basis of the volume of excisable raw materials actually used for the manufacture of excisable goods in the tax period.

### **Section 1113. Tax Treatment of Export**

Exports of excisable commodities are taxed at a zero rate. As specified in the regulations, the producers shall produce satisfactory evidence that the exportation has taken place.

### **Section 1114. Tax period**

The tax period for the excise tax shall be a calendar month.

### **Section 1115 – 1119 Reserved**

### **Section 1120. Annulled**

### **Section 1121. Annulled**

### **Section 1122. Annulled**

### **Sections 1123-1139. Reserved**

### **Section 1140. Annulled**

## **Section 1166. Excise Stamp**

- (1) The Commissioner General may in the regulation specify:
  - (a) the excisable goods to which excise stamps shall be affixed or applied;
  - (b) the systems of management of excisable stamps and excisable goods, and
  - (c) the place and time of affixing or applying excise stamps
- (2) The Commissioner General shall, by notice in at least two newspapers in national circulation, specify the types and descriptions of excise stamps to be affixed or applied on goods specified under subsection (1)
- (3) The following shall be exempted from mandatory affixing or applying with excise stamps:
  - (a) locally produced goods intended for export,
  - (b) goods intended for the supply to a duty-free outlet,
  - (c) goods imported into Liberia or purchased in Liberia by a diplomatic or consular mission or diplomat or consul or a member of the diplomat or consul's family forming part of the diplomat or consul's household in Liberia to the extent provided under the Revenue Code.
- (4) A person shall not remove excisable goods specified in subsection (1) from the place designated for affixing or applying stamps unless the goods have been affixed or applied with stamps in accordance with the regulations.
- (5) Nothing withstanding subsection (4) the Commissioner General may in exceptional circumstances allow removal of excisable goods from excise control without affixing or applying excise stamps on the goods.

**Section 1167 – 1199 Reserved**



Harmonize d Code #	Article Description	Current Rates		Proposed Rates
		Imported	Local	
	than 80 % vol.; spirits, liqueurs and other spirituous beverages.			
<b>Tobacco and tobacco products with filter</b>				
2401	Unmanufactured tobacco, tobacco refuse, tobacco leaf	80%		80%
	Others			
2402	Cigars, cheroots, cigarillos and cigarettes of tobacco or tobacco substitutes			
	Cigarettes with filter	80%		USD 0.40/pack of 20 sticks
	Cigarettes without filter	80%		USD 0.30/pack of 20 sticks
	Others	80%		80%
	Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences			80%
8543	E cigarette			
	Others			80%

# EXCISE TAX REFORM LAW 2018, COMMITTEE REPORT | 2018

The committees agreed with reasonable considerations on the below rates:

MINISTRY OF FINANCE AND DEVELOPMENT PLANNING EXCISE TAX REFORM 2018					
Harmonized Code #	Article Description  Alcoholic and non-alcoholic Beverages)	Current Rates		LEGISLATIVE COMMITTEE APPROVED RATES	
		Imported	Local	Import	Local
1	2009 Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	20%	2%	US\$ 0.45/liter	US\$ 0.05/liter
2	2201 Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter or flavored; ice and snow	35%	NIL	US\$ 0.45/liter	NIL
3	2202 Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09.	35%	2%	US\$ 0.30/liter	US\$ 0.02/liter
4	2203 Beer made from malt	45%	25%	US\$1.00/liter	US\$ 0.35/liter
5	2204 Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.	45%	25%	US\$1.00/liter	US\$ 0.35/liter
6	2205 Vermouth and other wine of fresh grapes flavored with plants or aromatic substances.	45%	25%	US\$1.00/liter	US\$ 0.35/liter
7	2206 Other fermented beverages (for example, cider, Perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.	45%	25%	US\$1.00/liter	US\$ 0.35/liter
8	2208 Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other	45%	25%	US\$3.00/liter	US\$ 2.00/liter
9					



# EXCISE TAX REFORM LAW 2018, COMMITTEE REPORT | 201

19	Sugar			
20	1701.99.10.00	Cane or beet sugar and chemically pure sucrose, in solid form.	5%	5%
21	1701.99.90.00	Cane or beet sugar and chemically pure sucrose, in solid form.	5%	5%
22				
23				
24	Luxury goods			
	8703	Luxury vehicles and vessels (including boats and yachts and other vessels for sports and pleasure) "Luxury Vehicles" means any automobile that is in the class of private passenger automobiles and that has a minimum of a CIF value of US\$ 60,000.00 for a new car or US\$ 30,000.00 for a used car	10%	10%
25				
26	7113-7118	Jewelry	10%	20%
27		Jewelry, goldsmiths' and silversmiths' wares and other articles		10
28	Gambling equipment			
	9504	Video game consoles and machines, articles for funfair, table or parlor games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment.	30%	30%
29				

The committees in it work, realized that when this EXCISE TAX REFORM LAW 2018 is enacted and administered accordingly, the net revenue impact against the current excise law will be significantly favorable.

Respectfully submitted

# EXCISE TAX REFORM LAW 2018 , COMMITTEE REPORT 201

19	Sugar			
20	1701.99.10.00	Cane or beet sugar and chemically pure sucrose, in solid form.	5%	5%
21	1701.99.90.00	Cane or beet sugar and chemically pure sucrose, in solid form.	5%	5%
22				
23				
24	Luxury goods			
	8703	Luxury vehicles and vessels (including boats and yachts and other vessels for sports and pleasure) "Luxury Vehicles" means any automobile that is in the class of private passenger automobiles and that has a minimum of a CIF value of US\$ 60,000.00 for a new car or US\$ 30,000.00 for a used car	10%	10%
25				
26	7113-7118	Jewelry	10%	20%
27		Jewelry, goldsmiths' and silversmiths' wares and other articles		10
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-2018-

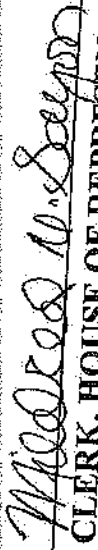
FIRST SESSION OF THE FIFTY-FOURTH LEGISLATURE OF  
THE REPUBLIC OF LIBERIA

HOUSE'S ENGROSSED BILL NO. 15 ENTITLED:

"AN ACT TO AMEND THE REVENUE CODE OF LIBERIA,  
PHASE ONE OF THE REFORM TAX CODE OF LIBERIA, A.D.  
2000, AS AMENDED BY THE CONSOLIDATED TAX  
AMENDMENTS ACT OF 2011, TO REFORM EXCISE TAX LAW  
(2018)"

On Motion, Bill read. On motion, the Bill was adopted  
on its first reading and sent to committee Room on  
Thursday, August 23, 2018 @ 14:30 G.M.T. during its  
Regular Session.

On motion, Bill taken from the Committee Room for its  
second reading. On motion, under the suspension of the  
rule, the second reading of the Bill constituted its third  
and final reading and the Bill was adopted, passed into  
the full force of the law and ordered engrossed today,  
Tuesday, November 20, 2018 @ 14:00 G.M.T. during  
its Extraordinary Session.

  
CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

-2018-

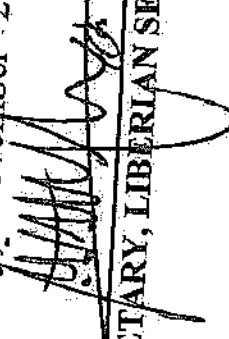
EXTRAORDINARY SESSION OF THE FIFTY-FOURTH  
LEGISLATURE OF THE REPUBLIC OF LIBERIA

SENATE'S ENDORSEMENT TO HOUSE'S ENGROSSED BILL  
NO. 15 ENTITLED:

"AN ACT TO AMEND THE REVENUE CODE OF LIBERIA,  
PHASE ONE OF THE REFORM TAX CODE OF LIBERIA, A.D.  
2000, AS AMENDED BY THE CONSOLIDATED TAX  
AMENDMENTS ACT OF 2011, TO REFORM EXCISE TAX LAW  
(2018)"

On Motion, Bill read. On motion, the Bill was adopted  
on its first reading and sent to Committee Room on  
Monday, November 26, 2018 at the hour of 14:10  
G.M.T.

On Motion, Bill taken from the Committee room for its  
second reading. On motion, under the suspension of  
the rule, the second reading of the Bill constituted its  
third and final reading and the Bill was adopted, passed  
into the full force of the law and ordered engrossed  
today, Wednesday, November 28, 2018 @ 14:46  
G.M.T.

  
SECRETARY, LIBERIAN SENATE, R.L.



Office of the Chief Clerk

REPUBLIC OF LIBERIA  
THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building  
P.O. Box 9005  
Monrovia, Liberia



**-2018-**

FIRST SESSION OF THE FIFTY-FOURTH LEGISLATURE OF THE REPUBLIC OF  
LIBERIA

SCHEDULE OF HOUSE'S ENROLLED BILL NO. 19 ENTITLED:

"AN ACT TO AMEND THE REVENUE CODE OF LIBERIA, PHASE ONE  
OF THE REFORM TAX CODE OF LIBERIA, A.D. 2000, AS AMENDED  
BY THE CONSOLIDATED TAX AMENDMENTS ACT OF 2011, TO  
REFORM EXCISE TAX LAW (2018)"

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR EXECUTIVE  
APPROVAL.

APPROVED THIS: 14<sup>th</sup> DAY OF December A.D. 2018

AT THE HOUR OF 3:35 pm

THE PRESIDENT OF THE REPUBLIC OF LIBERIA