

**15. How should excise stamps be affixed to packets of cigarettes and alcoholic drinks produced or imported into Liberia?**

The place of affixing excise stamps on products is specified in a way that makes it impossible to open such a packet of cigarettes, bottle or metallic can, without damaging the excise stamp. Please see the examples below:



**16. What happens if received stamps are damaged before or during the affixing process?**

Manufacturers or importers can provide information about damaged stamps to LRA.

**17. What will happen if the excise stamps are not used within six (6) months?**

A manufacturer or an importer must return excise stamps or provide information about the stamps to LRA not used within six (6) months of their receipt.

**18. Will an excise stamp be affixed to every packet of cigarettes or container of alcoholic drink?**

No, the following will be exempt from the mandatory affixing of an excise stamp:

- locally produced goods intended for export;
- goods intended for supply to a duty-free outlet;
- goods imported into 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 Liberia Revenue Code.

**19. What happens if cigarettes or alcoholic drinks are distributed or sold without excise stamps?**

All unmarked products will be confiscated and the responsible person will be penalized in accordance with the law.

**20. Do excisable items have the same excise stamp placed on them?**

No, different products have different excise stamps, which are different in size, color, printed information and protection features. Some examples of excise stamps are provided below:



**21. What are the benefits to manufacturers and importers of cigarettes and alcoholic drinks for use of excise stamps?**

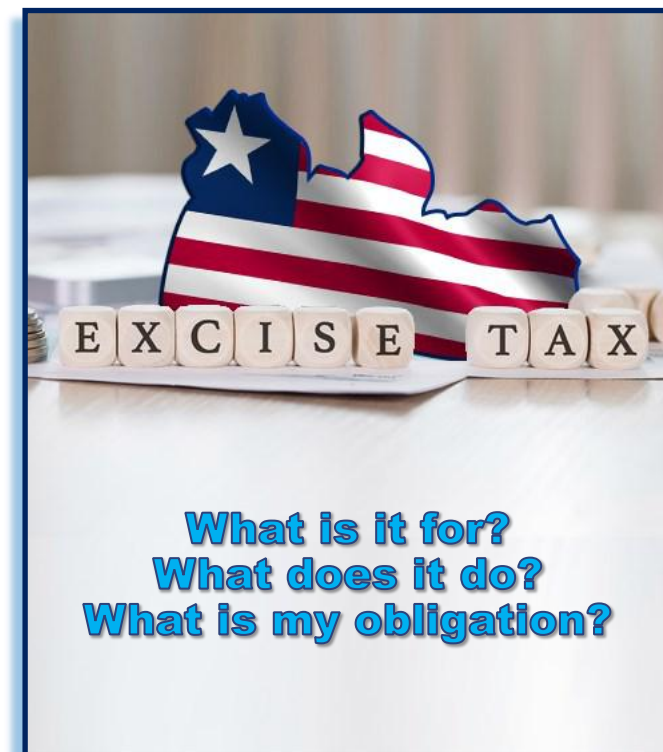
The use of excise stamps create to a large extent a level playing field for all manufacturers and importers of tobacco and alcoholic drinks by controlling the act of smuggling and combating illicit trade.

**22. How will the use of excise stamps benefit consumers?**

Excise stamps will protect consumers from buying counterfeit products or goods.



# Excise Tax FAQs



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## EXCISE TAX

### 1. What is excise tax?

Excise Tax is a commodity based tax that is levied on excisable goods and services.

### 2. Which commodities are excisable under the new Excise Law?

The following commodities are excisable under the new Excise Law:

- Alcoholic and non-alcoholic drinks
- Tobacco products
- Jewelry
- Luxury vehicles and vessels (> US\$ 60,000 for new cars)
- Cosmetics
- Sugar
- Gambling equipment

### 3. Is excise tax levied only on domestic products?

No, it is levied on the production and importation of excisable goods and the provision of excisable services.

### 4. What is the base of the excise tax?

The base of excise tax depends upon the type of rate. If excise tax is levied with specific rates (i.e. expressed as a fixed amount per unit of measure of the excisable items), the tax base is the physical units of excisable items such as liters or packets of 20 sticks. On the other hand, if excise tax is levied with ad valorem rate (i.e. expressed as a percentage of the value of excisable items), the tax base is the value of excisable items.

For example, in the case of import, excise tax is levied on the sum of CIF (cost, insurance, freight) prices and applicable customs and other duties on imports; while in the case of domestic products, the tax base is the greater of the ex-factory price or normal selling price.

### 5. When is excise tax levied?

In the case of domestic products, excise tax is levied at the time of removal of goods from the factory, while in the case of import, it is levied at the time of importation of excisable goods.

### 6. When is excise tax paid?

In the case of imports of excisable goods, the excise tax must be paid at the customs point together with the customs duties according to the same procedure as for customs duties.

In the case of domestic products, excise tax of each tax period (the calendar month) must be paid within 21 days after the end of the period.

### 7. Is there a need to submit an excise tax return?

Yes, an excise taxpayer is required to file an excise tax return for each tax period within 21 days after the end of the period, whether excise tax is due for the period or not. However, no additional return is required for excisable imported goods listed on a consumption entry form for purposes of the External Tariff Law, for which excise tax was paid at the time of entry.

### 8. What are the objectives of excise tax?

Excise taxes are levied to meet social objectives and revenue demands as follows:

- to discourage the consumption of items that create health and others hazards (“negative externalities”);
- to generate revenue for the improvement of the health and other services by the government.

### 9. Why has the excise law been amended?

The amendment of the law made the excise tax regime more simple, transparent, efficient, equitable and elastic.

### 10. Is fuel also part of the excisable commodities under the new excise tax law?

No, fuel is governed by different legislation. It is not among the excisable commodities in the new excise tax law (Liberia Revenue Code section 1106, as amended).

## EXCISE STAMPS

### 11. What is an excise stamp?

An excise stamp is a type of highly secured revenue stamp affixed to some specified excisable goods.

### 12. Why are excise stamps used?

Excise stamps are commonly used around the world in order to control smuggling and counterfeit products.

### 13. What products are required to have excise stamps affixed to them in Liberia?

Cigarettes (Harmonized System code 2402.10) and alcoholic drinks (HS codes 22.03, 22.04, 22.05, 22.06 and 22.08, except those not designated for human consumption) will need to have an excise stamp affixed.

### 14. How can manufacturers and importers of cigarettes and alcoholic drinks obtain the excise stamps?

Manufacturers and importers of cigarettes and alcoholic drinks can obtain excise stamps from the Liberia Revenue Authority by submitting specified application form and paying the price of the required number of excise stamps.