



**“TAX AMENDMENT ACT OF DECEMBER 2024
AMENDING THE LIBERIA CONSOLIDATED
REVENUE CODE AS AMENDED”**

APPROVED: DECEMBER 17, 2024

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

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Tax Amendment Act of December 2024

**Amending the Liberia
Consolidated Revenue Code
as Amended**

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PREAMBLE

WHEREAS the prevailing economic conditions are changing and thus require adjustments to the Liberia Revenue Code;

WHEREAS arrangement under 2019 Extended Credit Facility with the International Monetary Fund, and commitments made under international and regional cooperation such as the ECOWAS regional integration program require that certain tax policy reforms be instituted;

WHEREAS recent consolidation exercise of previous amendments to the Revenue Code has identified provisions of the Code that need to be amended to reflect current economic realities and changes to international tax rules; and

NOW THEREFORE, it is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

Part 1: Preliminary

Section One: Name

- A. This legislation, which shall be referred to as Liberia Tax Amendment Act of November 2024, amends the Liberia Consolidated Revenue Code.
- B. After enactment, these amendments are to be incorporated into the Liberia Consolidated Revenue Code and published subject to approval by the Minister of Finance and Development Planning. The amended Liberia Consolidated Revenue Code is to be given the name "Liberia Consolidated Revenue Code as Amended" followed by the year of enactment.
- C. The Preliminary matters of this legislation are to be included as an appendix to the Liberia Consolidated Revenue Code as Amended. The appendices currently contained in the Liberia Revenue Code as Amended 2020 are to be retained in the new publication.

Section Two: Method of Amendment

This legislation sets out the amended version of each affected section of the Liberia Revenue Code, using an ellipsis (***) to indicate omitted text that is neither repealed nor revised by this legislation.

Section Three: Effective Date of Amendment

Unless provided to the contrary, in the Transitional Rules, this Act shall take effect upon publication into handbills.

Part 2: Amendments

1. **Section 50:** Time and Place of Filing and Payment of Tax
2. **Section 55:** Records
3. **Section 74:** Assessments
4. **Section 203:** Deductions for the Cost of Producing Income
5. **Section 204:** Depreciation and Amortization
6. **Section 211:** Transaction Between Related Persons
7. **Section 602:** Rate of Tax
8. **Section 702:** Rate of Tax
9. **Section 704:** Royalties and Surface Rent
10. **Section 741:** Rate of Tax
11. **Section 806:** Tax Withholding on Payment to Nonresidents
12. **Section 905:** Withholding of Tax on Payment to Residents
13. **Chapter 11:** Excise Taxes

1. Section 50: Time and Place of Filing and Payment of Tax

(b) Due Date

A taxpayer's tax return and payments are due no later than 11.59 pm in case of electronic channels and 5:00 p.m. in other cases on the date they are due as provided in Parts II, III, IV and VII of the Code.

(g) Proof that Delivery was Made

Proof of timely filing is made by presentation of any of the following:

1. A dated, stamped and signed receipt issued by the designated place of filing.
2. A certified copy of an authorized delivery service that includes the following: the correct name and address of the designated place for filing; the signature of a recipient who can be identified as a Liberia Revenue Authority employee at the designated place of filing on the

date signed; and the date of receipt (or other information sufficient to establish the date of delivery).

3. In case of e-filing, a copy of the confirmation email and the attached electronic form with the submission date shown.

(h) Proof that Payment was Made

Proof of timely payment is made by presentation of a dated and time-stamped receipt issued by the designated place of payment, indicating the amount of payment received, and signed by a designated person who can be identified as a Liberia Revenue Authority's employee at the designated place of payment on the date signed. In the case of electronic payment, electronic notification of successful payment. The Commissioner General may propagate, by regulation, the requirement of the electronic payment notification.

2. Section 55: Records

(d) Information Collection

- (2) A person with a recordkeeping obligation under this section must make records and business premises available and open for the Liberia Revenue Authority (LRA) inspection upon request, within reasonable bounds (as specified in regulation) of consideration for the convenience of the taxpayer. In the case of a Section 74 jeopardy assessment proceeding, convenience of the taxpayer is not a consideration.

- (e) Fine for Inadequate Record keeping.** If a person fails to maintain books and records as described in subsections (a) and (b), then, in addition to any applicable penalty under Section 51 and Section 52, there also shall be imposed as a fine for inadequate record keeping the amount of 150 percent of any underpayment of tax that may have resulted from the lack of adequate recordkeeping. A person subject to the fine for inadequate recordkeeping for three or more years within a five-year period or whose total understatement of tax for any year is an amount equal to more than 50 percent of the tax due, shall, on conviction, be subject to a term of imprisonment of up to 4 years.

- (i) Automatic Exchange of Information on Financial Accounts.** A new subsection (i) is added to read as follows:

- (1) Pursuant to international treaties and conventions in tax matters, the Minister is hereby authorized to, by regulation, require and provide procedures for collection of information on Financial Accounts for the implementation of the Common Reporting Standard for the Automatic Exchange of Financial Account Information in Tax Matters; including any bilateral or multilateral Competent Authority Agreement or other agreement signed between the Government of the Republic of Liberia and the government of another country which makes provision corresponding, or materially similar to the Common Reporting Standard. The Regulation shall define the scope of the information required in accordance with international treaties and conventions in tax matters.

- (2) **Regulation.** The Minister shall make Regulations on matters relating to Country – by – Country Reporting. The Regulation shall include a provision to impose a penalty in the same form and manner as specified in the Liberia Income Tax Transfer Pricing Regulation.
- (3) Pursuant to international treaties and conventions in tax matters, the Minister may, by regulation, require and provide procedures for collection of information for the implementation of the Crypto-Asset Reporting Framework; including any bilateral or multilateral Competent Authority Agreement or other agreement signed between the Government of the Republic of Liberia and the government of another country which makes provision corresponding, or materially similar to the Crypto-Asset Reporting Framework.

3. Section 74: Assessments

- (b) **Amendment of Assessment:** The Commissioner General may, within the assessment period stated in subsection (d), amend an assessment by making such alterations or additions to the assessment as the Commissioner General considers necessary and following the procedures required for an assessment under subsection (a)(3), except that amendments to jeopardy assessments are subject to the jeopardy procedures set out in regulation under subsection (a)(4). For the purpose of this subsection, Customs post clearance audits or other forms of assessment conducted by customs and issue-oriented audits shall not be considered amendment to assessment or assessment within the meaning of this subsection.

- (d) **Period of Assessment:** The period for the Commissioner General to make an assessment under subsection (a)(3) or an amended assessment under subsection (b), ends on the date seven years after the date on which the return was required to be filed, or the date the return was filed or the date the amended return was filed or date the tax is required to be withheld or the date the withholding occurs whichever is later; except that –
 - (1) If a person is required to file a return or to withhold tax, but the return is not filed or the withholding does not occur, then the assessment period ends on the date 10 years after the due date for filing the return or making the withholding; or
 - (2) If a taxpayer is not required to file a return, but tax should have been paid and was not, then the assessment period ends on the date 7 years after the last day of the tax year for which tax should have been paid.

4. Section 203: Deductions for the Cost of Producing Income

- (d) **Business Interest.** A taxpayer is permitted a deduction for interest on business indebtedness, limited to the interest attributable to a tax year and accrued or paid (consistent with the taxpayer's method of accounting) during that tax year. The deduction for interest payable to any person other than a resident bank is limited to the amount of interest received plus 20 percent of the taxpayer's earnings before the deduction of interest, taxes, depreciation, and amortization (EBITDA) other than interest income.

5. Section 204. Depreciation and Amortization

- (g) For the purpose of this section, the term "manufacture" means the subjection of physical matter to any process (including the assembly of parts) that materially changes its substance or character. Regulations may specify assembly of parts that qualify as manufacture.

6. Section 211 Transactions Between Related Persons

A new paragraph is inserted below to read as follows:

Adjustment Procedure

The Commissioner-General may, in carrying out the acts stated above:

1. re-characterize an arrangement made between persons who are related persons within the meaning of Section 208, including re-characterizing debt financing as equity financing.
2. re-characterize the source and type of any income, loss, amount, or payment; and
3. apportion and allocate expenditure, including the activities specified in Section 203.

7. Section 602. Rate of Tax

The rate of tax on taxable income from an extraction of renewable resources, with the exception of rice production project shall be 25 percent or a minimum tax of 2 percent of gross income, whichever is greater. The rate of tax on taxable income for rice production projects shall be 15 percent or a minimum tax of 2 percent of gross income, whichever is greater.

- (a) If the minimum tax applies, the excess of the minimum tax over the regular tax is creditable against regular tax due for the next succeeding tax year.
- (b) If not fully absorbed in that year, the remaining credit is carried forward to succeeding tax years, but not to years after the fifth succeeding tax year.
- (c) A credit carried to a succeeding tax year is not allowed to reduce regular tax for that year below the amount of minimum tax due for that year.
- (d) The minimum tax applies for tax years beginning on or after January 1, 2025.

8. Section 702. Rate of Tax

- (a) The rate of tax on taxable income from a mining project shall be 30 percent or a minimum tax of 2 percent of gross income, whichever is greater.
 - (1) If the minimum tax applies, the excess of the minimum tax over the regular tax is creditable against regular tax due for the next succeeding tax year.
 - (2) If not fully absorbed in that year, the remaining credit is carried forward to succeeding tax years, but not to years after the fifth succeeding tax year.
 - (3) A credit carried to a succeeding tax year is not allowed to reduce regular tax for that year below the amount of minimum tax due for that year.
 - (4) The minimum tax applies for tax years beginning on or after January 1, 2025.

9. Section 704. Royalties and Surface Rent

- (a) **Royalties.** A royalty is due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition:
 - (1) Iron ore. 4.5 percent.

- (2) Gold and other base metals for Class A mining license 3 percent. For any other class or category from 1.5 percent to 5 percent as prescribed in regulation.
- (3) Commercial diamonds for Class A mining license 5 percent. For any other class or category from 3 percent to 5 percent as prescribed in regulation.
- (4) All other minerals 2-10 percent as prescribed in regulation.

10. Section 741. Rate of Tax

The rate of tax on taxable income from a petroleum project shall be 30 percent or a minimum tax of 2 percent of gross income, whichever is greater.

- (a) If the minimum tax applies, the excess of the minimum tax over the regular tax is creditable against regular tax due for the next succeeding tax year.
- (b) If not fully absorbed in that year, the remaining credit is carried forward to succeeding tax years, but not to years after the fifth succeeding tax year.
- (c) A credit carried to a succeeding tax year is not allowed to reduce regular tax for that year below the amount of minimum tax due for that year.
- (d) The minimum tax applies for tax years beginning on or after January 1, 2025.

11. Section 806: Tax Withholding on Payment to Nonresidents

- (g) **Payment of Acquisition Price.** Upon the payment to a nonresident of the acquisition price for an interest in an investment asset in Liberia, the payor is required to withhold tax at the rate of 15 percent of the amount of the payment and pay it over to the Government of Liberia in accordance with the rules of subsection (h).

When a payment to a nonresident person by another nonresident person of the acquisition price for an interest in an asset in Liberia, the payor (legal investment asset) is required to withhold tax at the rate of 15 percent of the amount of the payment and pay it over to the Government of Liberia in accordance with the rules in subsection (h). In the event the nonresident payor does not withhold and remit to the Government of Liberia in accordance with subsection (h), a tax lien shall be created on the asset and payable by the management of the asset. For the purpose of taxation, no acquisition of asset shall be completed without the approval of the Commissioner General of the Liberia Revenue Authority.

The provision of Section 68 shall be applied where the person described in paragraph (2) does not make payment or pay the withholding tax over to the Government of Liberia in accordance with the rules of subsection (h).

- (1) For purposes of this subsection, the term "investment asset" means a direct or indirect interest in immovable property located in Liberia, shares of stock in a resident legal person, or an ownership interest or rights in a partnership, joint venture, or similar arrangement that has significant operations, property, or property rights in Liberia.
- (2) This subsection does not apply if the investment asset is an ownership interest in a legal person described in Section 801(b) or (c).

12. Section 905: Tax Withholding on Payment to Residents

(l) Repeal

- (m) **Penalties.** A person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to the Section 52 penalty for late payment and failure to pay. For the purpose of applying the Section 52 penalty to a failure to withhold and remit tax, references in Section 52 to the "payment due date" are to be understood as referring to the remittance due date under this section.

Chapter 11: Excise Taxes

Schedule 1: Excise Tariff

Harmonized Code	Article Description	Excise (Imported)	Excise (Local)
2203	Beer made from malt	US\$0.80/Liter	US\$0.30/Liter
2204	Wine of fresh grapes, including fortified wines, other than that of heading 20.09	US\$0.80/Liter	US\$0.30/Liter
2205	Vermouth and other wine of fresh grapes flavored with plants or aromatic substances	US\$0.80/Liter	US\$0.30/Liter
2206	Other fermented beverages (for example, cider, perry, mead, sake); mixtures of fermented beverages, and no alcoholic beverages, not elsewhere specified or included.	US\$0.80/Liter	US\$0.30/Liter
2208	Undenatured ethyl alcohol of alcoholic strength by volume of less than 80% vol., spirits, liqueurs and other spirituous beverages.	US\$1.50/Liter	US\$0.50/Liter

Part 3: Effective Date

This Act shall take effect immediately upon publication to handbill.

-2024-

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

HOUSE'S ENGROSSED BILL NO. 20 ENTITLED:

"TAX AMENDMENT ACT OF DECEMBER 2024 AMENDING THE LIBERIA CONSOLIDATED REVENUE CODE AS AMENDED"

On Motion, the Bill was read. On motion, the Bill was adopted on its first reading and sent to committee Room on Thursday, December 12, 2024 @ 11:25 G.M.T.

On Motion, the Bill was taken from 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, December 17, 2024 @ 10:37 G. M.T

Pp. Co Corrickes CHEN

CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L

-2024-

FIRST SESSION OF THE FIFTY-FIFTH LEGISLATURE OF THE REPUBLIC OF LIBERIA SENATE'S ENDORSEMENT TO HOUSE'S ENGROSSED BILL NO: 20 ENTITLED:

"AN ACT TO RATIFY THE TAX AMENDMENT ACT OF DECEMBER 2024 AMENDING THE LIBERIA CONSOLIDATED REVENUE CODE AS AMENDED"

On motion, Bill read on its 1st reading, Thursday, December 10, 2024 @ 14:38 GMT.

On motion under the suspension of the rule, the second reading constituted the third and final reading of the Bill and the Bill was adopted, passed into the full force of the law and ordered engrossed today, Tuesday, December 17, 2024 @ 14:27 G.M.T.

[Signature]

SECRETARY OF THE SENATE, R.L

-2024-

ATTESTATION TO:

**“TAX AMENDMENT ACT OF DECEMBER 2024
AMENDING THE LIBERIA CONSOLIDATED
REVENUE CODE AS AMENDED”**

PP: [Signature]

**VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/
PRESIDENT OF THE SENATE**

[Signature]

SECRETARY, LIBERIAN SENATE

[Signature]

SPEAKER, HOUSE OF REPRESENTATIVES, R.L.

PP: C. Cornicks CHEA

CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



THE HONORABLE HOUSE OF REPRESENTATIVES

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Office of the Chief Clerk

-2024-

**FIFTH SESSION OF THE FIFTY-FOURTH LEGISLATURE OF THE REPUBLIC
OF LIBERIA**

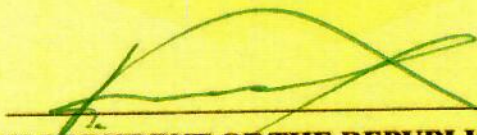
SCHEDULE OF HOUSE'S ENROLLED BILL NO. 13 ENTITLED:

**“TAX AMENDMENT ACT OF DECEMBER 2024
AMENDING THE LIBERIA CONSOLIDATED
REVENUE CODE AS AMENDED”**

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

APPROVED THIS: 17th DAY OF December A.D. 2024

AT THE HOUR OF 4:00 PM



THE PRESIDENT OF THE REPUBLIC OF LIBERIA