



# Liberia Revenue Authority | Monrovia - Liberia 2026

## VAT Made Simple for Consumers

*Value Added Tax (VAT) is levied on goods and services. Imagine you walk into a shop to buy clothes, soap, or a phone card. You pay the price on the shelf, take your items, and go home. What many consumers don't realize is that part of what they pay goes to the government as tax. This is why understanding VAT matters.*



### 1. Why is it important for consumers to understand VAT?

Consumers are the final payers of VAT. Even though VAT is collected and paid to the Liberia Revenue Authority by registered businesses, the cost of the tax is included in the price consumers pay for goods and services. Knowing how VAT works helps consumers protect themselves, demand transparency, and support national development.



### 2. Who really pays VAT: the business or the consumer?

Businesses act only as collectors of VAT. They charge VAT on taxable goods and services and remit it to the Liberia Revenue Authority. In reality, it is the consumer, the person buying the goods or services, who pays VAT.



### 3. How can a consumer know if a seller is registered for VAT?

A VAT-registered business is required by law to display its VAT Registration Certificate that contains, among other things, a nine-digit Taxpayer Identification Number (TIN) at its place of business. This should be clearly visible to customers.



### 4. What should a consumer do if unsure whether a seller is VAT registered?

If a seller charges VAT but you are unsure whether they are registered, you have the right to ask to see their VAT Registration Certificate. If the seller cannot provide them, but still charges VAT, the issue should be reported to the Liberia Revenue Authority.



### 5. What happens if an unregistered person collects VAT?

Collecting VAT without being registered is illegal. Anyone who does so will be fined and penalized under the law. Consumers play an important role in stopping this practice by reporting such cases to the Liberia Revenue Authority.



## **6. Does VAT apply to all goods and services sold by VAT-registered businesses?**

No. VAT is charged only on taxable goods and services. Some goods and services are exempt under the law and should not have VAT added to their price, even if sold by a VAT-registered business.



## **7. What should a consumer do if VAT is charged on exempt goods or services?**

If VAT is wrongly charged on exempt items, consumers should report the seller to the Liberia Revenue Authority so corrective action can be taken.



## **8. Why is it important to always ask for a VAT invoice or receipt?**

A VAT invoice or receipt is proof that the VAT you paid will be sent to the Liberia Revenue Authority.



## **9. What could happen if a consumer does not take an invoice after paying VAT?**

When consumers do not collect invoices, VAT may be misused by dishonest sellers. Without an invoice, there is a risk that the

seller may keep the VAT paid by the consumers instead of remitting it to the Liberia Revenue Authority, which is illegal. This reduces government revenue and weakens accountability, affecting funding for public services such as roads, schools, and hospitals.



## **10. Will the introduction of VAT increase prices?**

VAT will not be adopted as an additional tax. It replaces the existing Goods and Services Tax and helps avoid tax cascading and pyramiding. While there may be a one-time price adjustment in case of some items, VAT itself does not cause inflation. The Liberia Revenue Authority will closely monitor the market to prevent unjustified price increases.

*When consumers understand VAT, ask questions, and demand receipts, they help protect themselves, strengthen government revenue, and contribute to national development. VAT works best when everyone plays their part.*



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