
# Liberia Revenue Authority | Monrovia - Liberia 2026

# VAT and Businesses in Liberia

***Businesses in Liberia with annual taxable turnover above USD 20,000 must register for VAT, while smaller businesses may register voluntarily. VAT-registered businesses are responsible for charging VAT on goods and services, keeping proper records, filing returns, and paying VAT. Importers pay VAT on imports at the customs points. Businesses act as tax collectors for the government while the final tax burden is borne by consumers.***

## 1. Who is required to register for VAT in Liberia?

Any business whose annual taxable turnover exceeds USD 20,000 (or its equivalent in Liberian dollars at the prevailing Central Bank of Liberia exchange rate) within a 12-month period must register for VAT, regardless of whether it is an importer, manufacturer, wholesaler, retailer, or service provider.

## 2. Can a business below the VAT registration threshold register voluntarily?

Yes. Businesses with taxable turnover below the threshold may voluntarily register for VAT. Once registered, they must comply fully with VAT obligations, including charging VAT, issuing invoices, filing VAT returns, and paying any VAT due.

## 3. Who is allowed to charge and collect VAT on goods and services?

Only VAT-registered businesses are allowed to charge and collect VAT. These include registered importers, manufacturers, dealers, wholesalers, retailers, and service providers. Unregistered persons are prohibited from charging VAT.

## 4. What is the VAT base for imported goods?

For imported goods, VAT is charged on the customs value, which includes:

- Customs value (CIF: Cost, Insurance, and Freight)
- Import duty
- ECOWAS Trade Levy (ETL)
- Excise tax (if applicable)
- Any other customs duties and taxes, (VAT itself is excluded from the base)

## 5. When and where is VAT paid on imported goods?

VAT on imported goods is paid at the customs point, at the time of importation and before the goods are cleared from Customs.

## 6. What is the VAT base for locally supplied goods?

For locally supplied goods, VAT is charged on the total selling price, which includes production costs, profit margins, and any applicable taxes or duties (excluding VAT).

## 7. How is VAT charged on services?

VAT on services is charged on the total amount received for the service. For example, if a service costs USD 100, VAT at 15% amounts to USD 15, making the total payable USD 115.

## 8. What are input VAT and output VAT?

- Input VAT is the VAT a business pays on purchases or imports for business use.
- Output VAT is the VAT a business charges on its sales.
- Payable or refundable VAT is the difference between output VAT and input VAT.

## 9. What records are VAT-registered businesses required to keep?

VAT-registered businesses must maintain:

- A purchase book
- A sales book
- A VAT account

These records support VAT returns and must be kept in addition to records required under the Liberia Revenue Code.

## 10. When must VAT returns be filed and VAT paid?

VAT returns must be filed within 21 days after the end of the tax period.

- For compulsory registrants, the tax period is monthly
- For voluntary registrants, the tax period is quarterly.

VAT payments must also be made within the same 21-day deadline.

*VAT is not a cost to businesses - it is a responsibility. When businesses comply with VAT rules, they avoid penalties, improve credibility, and contribute to national development. Proper VAT compliance strengthens the business environment and helps fund essential public services in Liberia.*