



REVENUE GENERATION FOR GOVERNANCE AND GROWTH(RG3) ACTIVITY

May 2016 - May 2021 | Implementer: Development Alternatives Incorporated (DAI)

The Revenue Generation for Governance and Growth (RG3) Activity is designed to build the capacity of targeted Government of Liberia (GOL) institutions, particularly the Ministry of Finance and Development Planning (MFDP) and the Liberia Revenue Authority (LRA), to improve domestic revenue mobilization in Liberia. RG3 supports the MFDP to develop the capacity to formulate sound, predictable, and fair revenue policies. It also supports the LRA to enhance its ability to effectively, efficiently, and transparently implement those policies and carry out its revenue collection mandate

CURRENT ACTIVITIES

- Testing and improving e-filing and mobile payment solutions
- Implementing change management to improve sustainability of:
 - Mobile Payments;
 - Data Processing Center; and
 - E-filing
- Supporting the reform of the excise tax law in Liberia
- Initiating Property Tax Pilot in Monrovia.
- Improving capacity for audit process and risk based audit selection for LRA.
- Improving automated tax compliance monitoring and reporting;
- Supporting taxpayer services to develop FAQs, etc.
- Support for SMS-based outreach activities by LRA

- Support for regulations governing LRA e-services.

ACCOMPLISHMENTS TO DATE

- Introduced e-filing introduced with 30% of large taxpayers enrolled
- Introduced mobile payment resulting in 4,000 mobile people-to-government payments made to date
- Introduced e-payment resulting in 30-50% of taxes paid through commercial banks' e-payment portals
- Excise Tax Law signed and printed in handbills
- Developed VAT Policy Framework
- Supported Non-Tax Reform Strategy of Ministry of Finance Development Planning (MFDP)
- Trained Tax Auditors on risk-based audit
- Piloted property tax in Montserrado County by mapping some 44,000 properties in Monrovia
- Radio broadcasts and SMS blasts increased communications with taxpayers about when taxes were due
- Reopened Tax Payers' Call Center and Established Taxpayers Advocate's Office.
- Tax education has generated a 1,750 percent increase over two years in the number of calls to the LRA Call Center from individuals inquiring about how they can pay their taxes.

PLANNED OUTCOMES

- Reduced cost of compliance
- Increased tax revenues as a % of GDP
- Improved revenue modeling and forecasting at MFDP
- Increased taxpayer education and compliance
- Reduced scope for corruption
- Improved taxpayer perception of fairness by LRA
- Improved tax policy-making and business environment