

**Anglophone West Africa
Appendix 3: Liberia**

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Working Paper**

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Country: Liberia

Basic Country Information			
Geographic size	11,369km ²	Independence	26 July 1847
Capital city	Monrovia	Population	3.5 million
Secondary cities/towns	Buchanan, Ganta, Gbanga, Harbel and Kakata	Urbanisation	47%
System of government	A unitary system of government, with a President and a bicameral national assembly.	GDP (per capita)	US\$234.45
Government Structures			
Levels/Tiers of government	Two-tier system of government - the central government and 15 counties headed by superintendents.		
Traditional authorities or chiefdoms	Below the counties are 119 districts headed by commissioners and below districts are Chiefdoms governed by Paramount Chiefs		
Land Issues and the Property Market			
Land tenure	In 1984 almost all land was the property of the state but current freehold is possible but only to Liberian citizens. Mortgage of real property exists and many foreign businesses have entered into long-term leases on concession		
Land titling/registration	Land registration is compulsory but not effective.		
Land rent	Paid only for leasing of public Land.		
Property Market	The operation of land and property markets are largely informal. i.e most transactions take place outside a formal registration process and are not regulated or transparent		
Taxes			
National	Centralised revenue administration. Deputy Minister of Finance is in charge of all revenue collection which include tax on income and profit, international trade taxes, non-tax revenues and property taxes on both movable and immovable property.		
Sub-national	Fees from garbage collection and generator fees in Monrovia. None of the other counties have access to the existing revenue base.		
Property-related Taxes: National			
Property Transfer Tax	Small fee required for the transfer of title deeds. Section 1001 of the Revenue Code makes provision for the imposition of a general sales tax (GST) at the rate of 7%.		
Capital Transfer Tax	No gift tax under section 202(b) of the Revenue Code. Section 901(a) makes provision for an estate duty if total value exceeds L\$ 5 million.		
Capital Gains Tax	Levied under section 207 of the Revenue Code of Liberia Act 2000.		
Property-related Taxes: Sub-national			
Property tax			

<i>Annual Property Tax</i>		
Relevant Legislation: Revenue Code of Liberia Act 2000 Phase one		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Both unimproved and improved land taxed separately	Both Unimproved and Improved land taxed separately
Coverage of tax base	All counties, districts and towns	Only in major cities or towns such as Monrovia, Buchanan, Gbanga, Harbel and Kakata
Taxpayer	Property owners	Owners of land and buildings
<i>Valuation & Assessment</i>		
Valuation	Market value as at the date of inspection	Combination of market value and cost of construction
Responsibility for valuations	Real estate Unit in the Revenue Department of the Ministry of Finance	With the approval of the Deputy Minister of Finance in charge of Revenue, the services of private valuers are some time acquired.
Valuation cycle	Five years	Valuation has not taking place in other major cities for the past 25 years
Objection & appeal	Revenue Code of Liberia Act 2000 Phase one makes provision for the appointment of a 7 man Board of tax appeals	None functional. How ever there are no reported cases of objections
Quality control measures	Not specified in the Act	No quality control
<i>Rate Setting and Tax Relief</i>		
Tax rates	Rates are determined by the central government. Rates vary based on whether the land is improved or not and further according to its description and geographical location	Same as legislated
Exemptions	All public lands, buildings and other improvements owed by the Government, properties owned by churches, religious societies, foreign missions, educational institutions, charitable organizations and other organisations not used for profit making purposes.	Same as legislated
Tax relief measures	No tax relief	In 2007 a property tax amnesty was granted by Government
<i>Tax Administration</i>		
Billing	Bills are sent stating the assessed value and tax due and taxpayers are expected to make payment through identified banks.	Most bills not delivered
Collection	Done by officials in the Real Estate Unit of the Department for Revenue in the Ministry of Finance.	

Enforcement	Section 2007 of Revenue Code provides for enforcement. Delinquencies shall be reported to the Minister of Justice for collection through the courts.	Enforcement remains a problem in property tax administration in Liberia for fear that this may ignite other trouble. No reported cases of sale of property.
<i>Additional Comments</i>		
Importance of property tax	Property taxes account for about 1% of total internally generated revenue	
Role of the property tax	Forms part of total government disbursement to counties to aid their developmental programmes identified by their respective communities.	Counties find it difficult to access funds from the Ministries and this has affected their development plans and performing their statutory functions.
Tax effort		Though revenue from this source has increased by about 34% over the years, revenue effort is still considered very low as many properties are yet to be brought into the tax net.
Other issues		