

# Navigating taxation - 2026

**Liberia**

February 2026



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## Introduction

In this publication, all currency references are in Liberian Dollar (“L\$”) unless otherwise stated. The exchange rate was approximately USD0.0054 as at 16 February 2026.

Although we have taken all reasonable care in compiling this publication, we do not accept responsibility for any errors or inaccuracies that it may contain. This guide has been prepared for quick reference, and action should not be taken on the strength of the information contained herein without obtaining professional advice.

## Office location - Liberia

PricewaterhouseCoopers Advisory Liberia  
9th Street, Payne Avenue  
Sinkor, Monrovia

Telephones:

+231 (0) 888999555

+231 (0) 777999555



# A brief profile of PwC

## About us



### Global overview

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries. Across audit and assurance, tax and legal, deals and consulting we help clients build, accelerate and sustain momentum. Find out more at [www.pwc.com](http://www.pwc.com).

### Our global values

We are driven by our global values of Act with integrity, Make a difference, Care, Work together and Reimagine the possible. We strive to deliver what we promise, work together as a team, and become a more purpose-led and values-driven firm.

Act with integrity	Make a difference	Care	Work together	Reimagine the possible
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In Africa, PwC is the largest provider of professional services, with over 400 partners and over 10,000 people located in 14 countries. This enables us to provide clients with seamless and consistent service, wherever they are located on the continent.

### PwC Liberia

We offer professional services to both the private and public sectors in the following industries:

- Consumer and Industrial Products and Services
- Energy, Utilities and Resources
- Financial Services
- Government and Public Sector (Including Donor Agencies and NGOs)

## **Audit and Assurance Services**

PwC Liberia is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity. Liberia is a growing market with high prospect of increased economic activity and sustainable growth.

Our audit approach is tailored to suit the size and nature of your organisation and draws upon our extensive industry knowledge. As leaders in the development of non-financial performance reporting, we help our clients respond to the need for greater transparency, improved corporate governance and business models based on the principle of sustainability. Every engagement is considered unique and is executed to ensure value creation. We assist shareholders and other stakeholders by providing an independent opinion and reports that add credibility to financial information. We assist audit committees in discharging their corporate governance and compliance responsibilities. We provide clearance to group auditors so that they are able to meet group reporting requirements. And we assist management by providing observation and advice on financial reporting and business issues.

Our risk assurance services consist of a portfolio of inter-related solutions developed around the themes of risk, controls and assurance and use skills and competencies that are fundamental to the delivery of a high-quality financial audit.

The risk assurance services we offer manage the following four areas of risk:

### **Risk Assurance Services**

Our risk assurance services consist of a portfolio of inter-related solutions developed around the themes of risk, controls and assurance. These services draw on skills and competencies that are fundamental to the delivery of a high-quality financial audit.

The risk assurance services we offer manage the following four areas of risk:

- Financial/Commercial
- Operational
- Organisational
- Compliance/Regulatory.

### **Tax and Legal services**

PwC is the leading provider of tax services worldwide. We understand your business and economic environment, and we combine this with specialist tax knowledge to help you navigate complexity. We provide services in the areas of direct tax, indirect taxes, transfer pricing, international tax and mergers and acquisitions, tax reporting and strategy, people and organisation and company secretarial and immigration services.

As regards accounting, we assist with preparing the monthly cash book, recording monthly bank transactions, keeping other subsidiary ledgers, submitting the trial balance, income statement, and balance sheet.

## Consulting and Deals

We help organisations to work smarter and grow faster. We consult with our clients to build effective organisations, innovate and grow, reduce costs, manage risk and regulation and leverage talent. Our aim is to support you in designing, managing and executing lasting beneficial change. We offer services in the following areas:

### Deals

- Transactions
- Business recovery

### Consulting

- People and change
- Finance and accounting
- Strategy and operations
- Technology solutions
- Forensics and investigative Services

## Sustainability and climate change services

Organisations today operate in a complex environment with growing pressures from many angles. These include the need for transparency from stakeholders; consumer pressure (licence to operate); growing and changing risks to business models and supply chains; and increased competition for efficiency and growth opportunities attained through access to new products and markets.

Our sustainability experts help our clients in defining their sustainability strategy, advising on policy, operational change, risk management, reporting, monitoring and assuring their progress – all through a sustainability lens. We help our clients integrate environmental, social and governance issues into their operations and embrace the challenges of today's business environment as opportunities for long-term and sustainable growth.

## PwC Liberia: Our contacts



**Mary Kwarteng**  
Associate Director  
mary.kwarteng.darko@pwc.com  
+233 (0) 556 645 246



**Maymuna Haruna**  
Senior Manager  
Maymuna.haruna@pwc.com  
+233 (0) 248 126 180

# 01

## Direct taxation

### **Income liable to tax**

In Liberia, income tax is charged each year on the income of both resident and non-resident persons.

Resident persons are taxed on their worldwide income while non-resident persons are taxed on income which has a source in Liberia.

### **Resident individuals**

A natural person is considered tax resident in Liberia if they have their normal place of abode in Liberia and are present there at any time during the tax year.

Alternatively, residency applies if the natural person is physically present in Liberia for more than 182 days in any 12-month period ending within the tax year.

A legal person is considered resident if it is incorporated under Liberian law and either managed in Liberia or conducts the majority of its operations in Liberia.

Persons not meeting the above criteria are non-resident.



## Taxation of natural persons

In Liberia, the taxation of natural persons is structured around progressive income tax rates, and specific rules for residents and non-residents.

### Annual tax rates for natural persons

All non-residents are taxed at a flat income tax rate of 20%.

The applicable tax bands and rates for resident natural persons are set out in the schedule below:

Taxable Income L\$	Tax rate and computation
0 – 70,000	0%
70,001 – 200,000	5% of excess over 70,000
200,001 – 800,000	L\$6,500 + 15% of excess over 200,000
800,001 and above	L\$96,500 + 25% of excess over 800,000

### Social security contributions

Every employer with one or more employees is responsible to pay social security in Liberia at a rate of 10% of gross income on behalf of employees. Expats are not exempted from social security. The National Social Security and Welfare Corporation (“NASSCORP”) is the administrative body of social security in Liberia.

The social security contribution is structured into pension, injury, and welfare schemes (note that the welfare scheme has not been launched). The employer contributes 6% (4% pension and 2% injury) while the employee contributes 4% to the pension scheme. The payment is due at the end of each month by the employer.

### Gross income

Gross income means the aggregate of worldwide economic benefits of whatever kind that the taxpayer derives during a tax year. Examples of items included in gross income are:

- earnings from employment, including benefits received in the form of non-cash property;
- receipts from the operation of a business, profession, vocation, trade, or proprietorship;
- non-exempt interest, rents, royalties, and non-exempt dividends;
- payments received under a pension, retirement, or annuity arrangement;
- distributions from a trust or an estate, unless exempt; and
- gain from the sale of property (whether real or personal, tangible or intangible) used in a business or held for investment.



### **Exempt income/payment**

- Payments received due to illness, injury, disability, or death;
- Gifts and transfers by death;
- Noncash employer benefits with fair market value of up to L\$100,000 per tax year;
- Interest earned on government-designated tax-exempt obligations issued by the Republic of Liberia;
- Profits from selling personal-use property where the sale amount is less than L\$1,600,000; and
- Annual interest income below L\$200 for small savers.

### **Filing and penalties:**

- **Filing Deadline:** 11:59 p.m. (electronic) or 5:00 p.m. (other channels);
- **Proof of Filing:** Receipt, certified delivery, or email confirmation;
- **Late Filing Penalty:** 5% per month, capped at 50%;
- **Failure to File:** Up to L\$300,000 per regulation if not filed within 6 months (income tax) or 1 month (others);
- **Late/Failed Payment:** 5% per month up to 25% or 0.5% per month up to 50% penalty, increasing monthly; and
- **Wilful Default:** Double penalties and up to 10 years imprisonment on conviction.



## Corporate tax

### Rates of tax

The standard CIT rate for most resident legal persons is 25%. However, sector-specific rates and minimum tax rules apply:

- Mining and Petroleum Projects: 30% or 2% of gross income, whichever is greater;
- Renewable Resource Projects (excluding rice): 25% or 2% of gross income, whichever is greater; and
- Rice Production Projects: 15% or 2% of gross income, whichever is greater.

Businesses must pay a minimum tax of 2% on gross income if this is higher than the regular income tax, unless they qualify as small taxpayers under the presumptive system where a rate of 4% is applicable. If the minimum tax exceeds the regular tax, the excess is creditable against future regular tax liabilities for up to five years but cannot reduce tax below the minimum due in any year.

### Taxable period

The standard tax year is the calendar year, but taxpayers may apply to use a fiscal year if justified. Changes between calendar and fiscal years create a transitional tax year. If a business ceases operations or faces a jeopardy assessment, the period until closure is treated as a short tax year. All references to “tax year” adjust accordingly.

## **Real property taxes**

Real estate taxes are imposed on each parcel of unimproved land and improved land (rates are imposed depending on the classification).

## **Real property filing compliance**

Every person who has acquired title to real property subject to assessment and taxation must within thirty days of the law taking effect or within thirty days of acquiring the property, file a detailed schedule of that property with the nearest Liberia Revenue Authority office, including its location, lot number, designation, and actual amount paid for the property.

## **Tax return**

### **Due date for filing income tax return and making payment**

Taxpayers with taxable income are required to submit their annual income tax return by the last day of the third month following the end of their tax year. For calendar-year taxpayers, this means filing by March 31 of the following year.

The return must include details of income, deductions, and any applicable credits. Legal persons must also report partner or beneficiary shares as the case applies.

Liberia operates a declarative tax system, and taxpayers are responsible for accurate reporting.

### **Due date for filing presumptive tax return and advance payments of income tax**

All taxpayers must make quarterly advance payments of 2% for regular filers and 4% for presumptive filers by the 15th day after each quarter. Withheld taxes may offset advance payments if a Tax ID is provided. Late or missing payments and forms attract penalties.

### **Deductions allowed**

Taxpayers are generally allowed deductions for ordinary expenses necessarily incurred in producing taxable income. Examples of allowable deduction include:

- Business and investment losses (subject to some limitations);
- Bad debt expenses under specified circumstances;
- Interest up to a limit; and
- Charitable contributions to a qualifying organisation within limits.

### Deductions not allowed

In general, expenses that are of a capital nature or not wholly, exclusively and necessarily incurred in the production of income are not deductible. Examples of expenses that are not deductible include personal expenses, excluded income costs and taxes/penalties.

### Withholding tax rates

Income	WHT rates
<b>Resident:</b>	
Rent	10%
Management and consultancy fees	10%
Payment for services rendered	10%
Payments of acquisition price	15%
Interest	15%
Royalties	15%
Dividends	15%
<b>Non-resident:</b>	
Interest	15%
Dividends	15%
Royalties	15%
License fees	15%
Gaming winnings	30%
Rent	15%
Payments for services	20%
Payments of acquisition price	15%

## **General matters**

### **Income attributable to a Permanent Establishment (“PE”)**

A non-resident has a PE in Liberia if it conducts business in Liberia for at least 90 days in a tax year, including through an agent. Examples include branch offices, construction or resource sites, fishing vessels, and business premises.

Income attributable to a Liberian PE of a non-resident person is treated as income of a resident legal person. The PE is subject to income tax under the same rules applicable to resident entities, including filing and advance payment requirements.

### **Branch profit tax**

There is no special provision in the law for branch profits tax. A branch is subject to tax in accordance with the general principles that apply to a registered business in Liberia.

### **Unilateral relief from double taxation**

Liberia provides unilateral relief from double taxation through a foreign tax credit mechanism. Taxpayers who pay income tax to another country on foreign-source income may claim a credit against their Liberian tax liability. The credit is limited to the amount of Liberian tax that would otherwise apply to the same income, using the taxpayer’s average rate of tax paid.

### **Double tax treaties**

Liberia acknowledges the value of global collaboration in taxation and has embedded provisions within its Revenue Code to facilitate the application of Double Taxation Agreements (“DTAs”). These agreements are intended to ensure that the same income is not taxed both in Liberia and another jurisdiction, thereby encouraging international trade and investment.

To benefit from treaty provisions, taxpayers must comply with documentation requirements, including proof of foreign tax paid and residency status in Liberia.

Liberia currently has one DTA with Germany and has bilateral agreements related to the taxation of shipping and aviation income with other countries.

### **Free zone regime**

Goods placed under Liberia’s free zone procedure are exempt from import duties, taxes, and trade defence measures, unless such measures restrict entry or exit. Both imported and domestic goods may enter free zones, with domestic goods eligible for duty drawback under specified conditions. Customs certification is required to confirm domestic status, especially when goods are processed or released for home use within the zone.

Goods exiting a free zone into Liberia are treated as imported unless previously certified as domestic.

## **Anti-avoidance schemes**

Liberia's tax system includes anti-avoidance provisions aimed at preventing income splitting and tax base erosion. The Commissioner General is empowered to recharacterize or disregard arrangements that are part of a tax avoidance scheme, especially those lacking substantial economic effect or where the form does not reflect the substance of the transaction.

## **Income splitting**

Income splitting occurs when a person transfers income or assets to a related person to reduce overall tax liability. The Commissioner General may adjust taxable amounts to prevent such avoidance. Market value of any payment made by the related person is considered in assessing intent. Indirect transfers through intermediaries also qualify as income splitting.

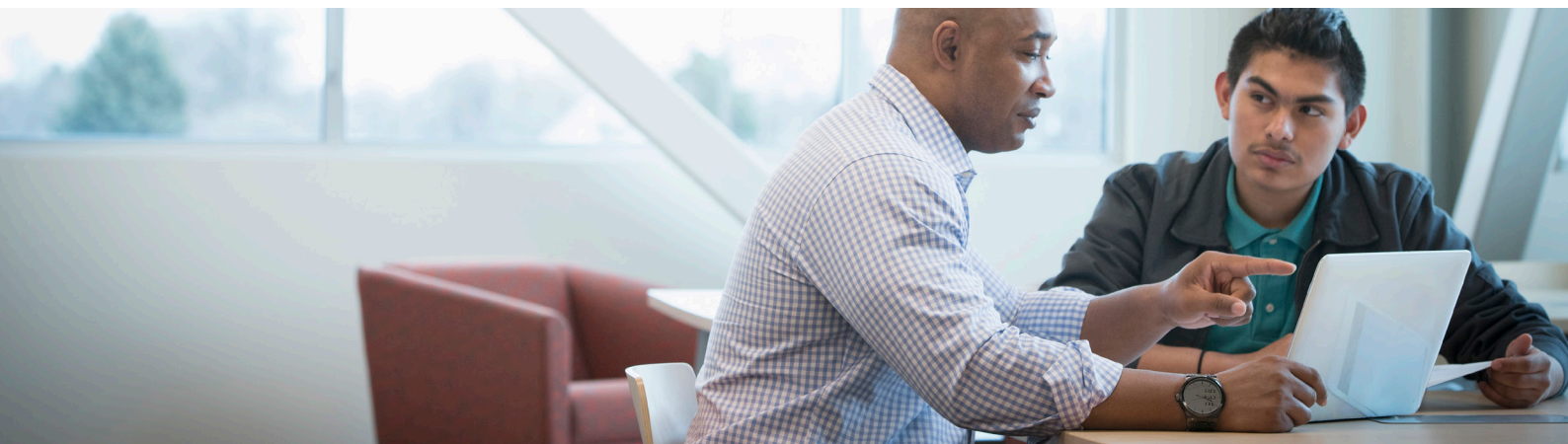
## **Transfer pricing**

Liberia's Transfer Pricing ("TP") Regulations provide that all related party transactions are required to be reported by filing a TP return. The TP return is to be filed along with the CIT return on the last day of the third month following the end of the tax year. For a taxpayer using the calendar year, it is due 31 March.

The arm's-length remuneration of a transaction is to be determined by using any of the below appropriate TP methods, which are the acceptable methods:

- The comparable uncontrolled method;
- The cost-plus method;
- The resale price method;
- The transaction net margin method;
- The transactional profit split method; and
- Any other method that is approved in writing by the the Liberia Revenue Authority ("LRA").

The TP Regulations also require that the master and local files are prepared and presented to the LRA upon request.



## **Administrative procedures**

### **Furnishing of returns of income**

Under the Revenue Code of Liberia, both legal and natural persons are required to file income tax returns with exceptions.

The process includes:

**Manual or electronic filing:** Taxpayers may submit returns through any delivery method, provided they are received by the due date at the designated LRA office. The LRA is moving to electronic filing only in the coming years.

**Taxpayer Identification Number (“TIN”):** All taxpayers must obtain a TIN to engage in taxable activities and for withholding and reporting purposes.

**Filing deadlines:** Taxpayers using the calendar year must file their annual income tax returns by March 31 of the following year.

Employers must comply with advance payment and withholding obligations which include monthly and annual reporting.

### **Cases where a return is not required**

Resident natural persons with taxable income must file an income tax return unless exempt under specific conditions. Filing is not required if:

- 90% or more of income comes from employment subject to withholding; and
- The person is taxed as a small taxpayer.

Additionally, any person not required to file may elect to file if they wish to claim losses, deductions, or credits.

### **Statement of estimated tax payable**

Taxpayers are required to self-assess advance tax on a quarterly basis. If a taxpayer underestimates liability to reduce advance payments wilfully, criminal penalties apply. Overpayments are generally refundable, except for those made between October 15, 2013, and December 31, 2015, which are creditable but not refundable and cannot reduce tax below the minimum due.

### **Instalment payment of tax**

Tax instalment payments must be made quarterly by the 15th day after each quarter (April 15, July 15, October 15, and January 15 for calendar-year taxpayers) using an approved standard form, which qualifies as a tax return.

# 02

## Indirect taxes

### **Goods and services tax (“GST”)**

GST is imposed on every taxable supply by a registered manufacturer and every taxable import of goods and on every supply of taxable services by a registered services provider.

The general rate of GST is 12%.

### **Registration threshold**

Any person engaged in manufacturing or providing taxable services must register for tax purposes if, over a 12-month period, their taxable supplies reach or exceed \$3,000,000. This obligation also applies at the start of any 12-month period where there are reasonable grounds to expect that taxable supplies will meet or exceed this threshold.

Once the registration requirement is triggered, the person must apply to the Commissioner General within 21 days of becoming liable to register.

Those not required to register under the mandatory threshold may still apply voluntarily if they currently make or intend to make taxable supplies in the course of a manufacturing business, subject to specific conditions outlined in the law.

### **Returns**

Registered service providers and manufacturers must file tax returns within 21 days after each tax period, regardless of whether tax is due. Manufacturers are exempt from filing additional returns for taxable imports already declared and taxed under the External Tariff Law.

Value Added Tax (“VAT”) is expected to be rolled out on or before 1 July 2026. This will replace GST.



### Excise tax

Excise tax is a commodity-based tax imposed on the production and importation of excisable goods in Liberia. The tax is levied on commodities such as alcoholic and non-alcoholic beverages, tobacco and tobacco products, luxury goods, and gambling products, among others including those set out in the table below:

Harmonized code	Article description	Excise (Imported)	Excise (Local)
2203	Beer made from malt	US\$0.8/Liter	US\$0.3/Liter
2204	Wine of fresh grapes (including fortified wines)	US\$0.80/Liter	US\$0.30/Liter
2205	Vermouth and other flavoured wines	US\$0.80/Liter	US\$0.30/Liter
2206	Other fermented beverages (e.g., cider, perry, mead, sake)	US\$0.80/Liter	US\$0.30/Liter
2208	Spirits, liqueurs, and undenatured ethyl alcohol (<80% vol.)	US\$1.50/Liter	US\$0.50/Liter

### Stamp taxes

An official revenue stamp is required to validate a notary's attestation by the ministry through a credential notary public at a flat rate of L\$10 or otherwise determined by the authority. Moreover, administrative fees are payable on specific transactions.

**Liberia**

# Navigating taxation

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PwC Liberia [www.pwc.com](http://www.pwc.com) provides industry-focused assurance, tax, Deals and Consulting and Risk services to build public trust and enhance value for its clients and their stakeholders. Over 364,000 people in 136 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

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