

REPUBLIC OF LIBERIA MINISTRY OF FINANCE

ADMINISTRATIVE REGULATION No.7.2006-1/MOF/R/28 AUGUST 2009

To : All Owners of Real Properties, Tax Assessors, Enforcers, and private and public appraisers;

Subject : Appointment of Appraisers and Responsibilities of Property Owners

Date : September 17, 2009

1.0 General Rules Section 2006(a) Under “Minister To Appoint Assessors and Give Notice of Their Determination”

“Except as otherwise provided, all land, whether improved or unimproved, subject to assessment and taxation on the basis of its assessed value, shall be assessed or reassessed as the case may be, by officials appointed and authorized by the Minister to act as real estate assessors. Upon the rendering of their determinations, the Minister shall give notice in writing to the owners of the properties involved of the assessed taxable values thereof as so determined and of the annual tax assessed thereon, or if this is impracticable, he shall publish such information at least twice in a newspaper having general circulation in the area in which the properties involved are located. In the event notice is given by the way of publication, it shall be deemed to have been received by the owners so notified 10-days after the last publication”.

1.1 Section 2004 under “Real Property Owners to File Schedule of Property”

“Every person who has acquired title to real property subject to assessment and taxation under the Chapter, within thirty days after the effective date of this Section or within thirty days after acquisition, as the case may be, shall file in the office of the Ministry nearest to where such real property is located a correct and specific schedule of all such real property acquired by him. Such schedule shall contain a complete description of the real property, including its location, area lot number, designation, if any use classification and the actual consideration paid on its acquisition”

1.2 In accordance with Sections 2004 and 2006 of the Revenue Code of Liberia Act of 2000, phase one of the Reform Tax Code of Liberia cited above, all owners of real properties, Tax Assessors and Enforcers, and all private and public appraisers are to observe and act in accordance with the followings:

2.0 Implementation

2.1 All Real Property owners are to file a schedule of their properties to the Division of Real Estate accompanied by full view photos of said properties beginning 2009 Tax year. To facilitate real property tax collection, the Ministry will accept tax assessment on Self-

declared property value (at possible selling price) for all residential real properties which have not yet been assessed. Self Declaration is only for Property used exclusively for private residential purpose. Private residential properties involving lease or rent are term commercial.

2.2 All owners of Income generating properties (commercial and Industrial) are to submit to the Ministry of Finance on or before December 1, 2009 a complete and Certified Appraisal(s) of their real property (ies).

2.2.1 Appraisal(s) should be conducted and certified by a recognized architectural firm of the Liberia Chamber of Architects (LCA).

2.2.2 All Appraisal(s) should follow the agreed format of the Liberian Chamber of Architects accompanied by all legal claims to the property (ies) and full contact and address of taxpayer, including location and description of property, value of annual rent, tenure of rent/lease, and copy of leases notarized or registered and probated. Taxpayer and property's photos should be attached to the appraisal.

2.2.3 The Appraisal(s) when submitted by the Taxpayers and approved by the Ministry of Finance will be carried forward for Five (5) tax years beginning January 1, 2010 subject to adjustment base on market forces and any additional improvements in keeping with Section 2001(g) of the Liberian Revenue Code, Act of 2000.

2.2.4 The cost of the Appraisal(s) incurred by the Taxpayer qualifies as an expense deductible from gross income for the tax year in keeping with Section 203 of the Liberian Revenue Code, Act of 2000, subject to Section 206.

2.2.5 Taxpayers shall have the right to serve and file an administrative appeal in the manner prescribed by section 60 of the Revenue Code of Liberia Act of 2000 requesting a review of the assessed value of the parcel of the property (ies) by the 15th June of any year within the five (5) year period of the assessed value.

2.3 All Real Property owners are under legal obligation to ensure the appraisal of their property and to pay their real estate taxes. They are to make payment of their taxes at the Ministry of Finance or its designated locations, and act in accordance with the Liberian Revenue Code.

2.4 As an interim measure, private residential property owners have the option of acquiring certified appraisal from the Liberia Chamber of Architects (LCA) or making **Self Declaration** on the value of their properties at a possible selling price. Said declaration should be accompanied by photos of the property (ies), description, and legal claims to the property (ies).

3.0 Real Estate Tax Year Calendar

3.1.1 January 2 - July 1 : Legislated tax payment period(Section 2002)

3.1.2 July 2 – 31, Tax Amount to grow at CBL interest rate – (Section 2002)

3.1.3 August 1, - December 31 : Delinquent tax payment period(5% Penalty and Interest at CBL interest rate to be charged on tax amount for each month or part of a month) – Section 2002

MINISTRY OF FINANCE									
BUREAU OF INTERNAL REVENUE									
DIVISION OF REAL ESTATE TAX									
REPUBLIC OF LIBERIA									
PROPERTY OWNER'S SCHEDULE									
NAME	HOME ADDRESS			CELL NUM	EMAIL		WORKING ADDRESS		
PROPERTY SCHEDULE									
	LOCATION	DESCRIPTION	AREA LOT NUM	CLASSIFICATION (CHECK BELOW)			PURCHASE/CONSTRUCTION COST	OWNERSHIP	TENANT (IF APPLICABLE)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									

Please add additional Sheet if you have more properties than the number of spaces provided

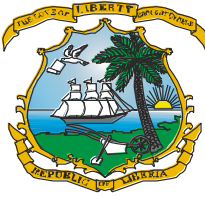
State owner name, if property is being leased by you	Signature of Property Owner/L.P.A		Date	
	R	For Residential Building	I	For Industrial Complex
	C	For Commercial Building	VL	For Vacant Land

KNOW THE LAW
 Section 2004. Real Property Owners to file Schedules property
 Every person who acquired title to real property subject to assessment and taxation under the chapter, within thirty days after effective date of this Section or within thirty days after acquisition, as the case may be, shall file in the office of the Minister nearest to where such property is located, a correct and specific schedule of all such real property acquired by him. Such schedule shall contain a completed description of including its location, area lot number, designation, if any use classification and actual consideration paid on its acquisition.
This is the law: Failure to do so is punishable by 10% additional payment to be increased by 5% monthly. Section 51 (b-1)

This regulation takes effect as of the date of signing.

Signed: 
 Erimeda Stewart Tamba
 DEPUTY MINISTER FOR REVENUE

Signed: 
 Augustine Kpehe Ngafuan
 MINISTER OF FINANCE



REPUBLIC OF LIBERIA MINISTRY OF FINANCE

ADMINISTRATIVE REGULATION No.7.2000-1/MOF/R/28 AUGUST 2009

To : All Owners of Real Properties, Tax Assessors, Enforcers, and Private and Public Appraisers;

Subject: Appraisal Methods and Criteria to be used by Assessors.

Date : September 17, 2009

1.0 GENERAL RULE

The Minister shall appoint assessors and set up criteria to be used by them for the appraisal of taxable real properties, and give notice of determinations to the taxpayers.

3.0 PUBLIC NOTICE

3.1 Guide for Determination of Real Property's Assessed Value for Tax Determination.

Technical Appraisal Rates, base on unit of comparison at assessed value.

Cost Approach

The **technical appraisal rates** are determined based on the costing of units. There are three cost categories namely: **Above Average Quality**, **Average Quality**, and **Below Average Quality**. Total cost of sample units in each category are calculated based on the material composition of the building (such as kind materials used in the construction of the foundation, floor, walls, windows, the kinds of tiles, roofing sheets, etc). The **Technical Appraisal Rate (TAR)** is found by dividing the total cost of construction by the square footage (i.e. length multiplied by the width of that unit).

Formula for Determining Property Assessed Value:

Property Assessed Value = Total Square Area X Technical Appraisal Rate (TAR) - Age Depreciation + Land value

3.1.0 RESIDENTIAL APARTMENT BUILDING

Usually with one or more porches per apartment, swimming pools and carport or garage facilities for tenants (Note Swimming pool, generator room or other detached facilities are assessed separately from the main building)

3.1.1 ABOVE AVERAGE QUALITY

Reinforced concrete foundation, reinforced concrete columns; 8" or 6" external concrete block walls or bricks, Plastered on both sides; floors with good quality tiles such as wood, ceramic or marble. Aluminum framed window, panel and or steel doors; aluminum framed glass, awning or fixed glass windows. Plywood or decorative wood ceiling or asbestos ceilings; roofing material of aluminum or asbestos or 28-gauge channeled zinc; 110-220v electrical connections; water and sewage connection. **TAR = US\$35.00.**

3.1.2 AVERAGE QUALITY

Reinforced concrete foundation; reinforced concrete columns; 6" or 4" external concrete block walls; jalousie windows, panel/plywood doors, terrazzo or vinyl tiles, roofing material of asbestos or zinc, **TAR = US\$30.00.**

3.1.3 BELOW AVERAGE QUALITY

Framed structure, in concrete planks or channeled zinc, floor of concrete or plank, roof in channeled zinc, electrical, water and sewage connection. **TAR = US\$20.00.**

3.2.0 ONE OR TWO STOREY OFFICE BUILDING

3.2.1 ABOVE AVERAGE QUALITY

Reinforced concrete foundation, reinforced concrete columns; 8" or 6" external concrete block walls or bricks, Plastered on both sides; floors with good quality tiles such as wood, ceramic or marble. Aluminum framed windows, panel and or steel doors; aluminum framed glass, awning or fixed glass windows. Plywood or wood ceilings; roofing material of aluminum or asbestos or 28-gauge channeled zinc; 110-220v electrical connections; water and sewage or septic tanks. **TAR = US\$30.00**

3.2.2 AVERAGE QUALITY

Reinforced concrete foundation; reinforced concrete columns; 6" or 4" external concrete block walls; jalousie windows, panel/plywood doors, terrazzo or vinyl tiles, roofing material of asbestos or zinc, **TAR = US\$25.00**

3.2.3 BELOW AVERAGE QUALITY

Framed structure, in concrete or block walls, planks or channeled zinc, floor of concrete or plank, roof in channeled zinc, Electrical and water connection and running water.

TAR= US\$20.00

3.3.0 1& 2 STOREY OR DUPLEX

3.3.1 ABOVE AVERAGE QUALITY

Reinforced concrete foundation, reinforced concrete columns; 8" or 6" external concrete block walls or bricks, Plastered on both sides; floors with good quality tiles such as ceramic or marble. Aluminum framed windows, panel and or steel doors; awning or fixed glass windows. Plywood, or other decorative wooding type ceilings; flat asbestos ceilings; roofing material of aluminum or asbestos or 28-guage channeled zinc; 110-220v electrical connections; water and sewage connection and concrete fence. **TAR=US\$30.00**

3.3.2 AVERAGE QUALITY

Reinforced concrete foundation; reinforced concrete columns; 6" or 4" eternal concrete block walls; jalousie windows, panel/plywood doors, terrazzo or vinyl tiles, roofing material of asbestos or zinc, **TAR= US\$25.00.**

3.3.3. BELOW AVERAGE QUALITY

Concrete foundation, 4" concrete blocks external walls or earthen blocks, bare concrete floor, plank windows/doors; roofing materials of poor quality Zinc e.g. 14-gauge. **TAR= US\$\$10.00**

3.4.0 COMMERCIAL BUILDING (MULTI-STOREY OFFICE BUILDING)

3.4.1 ABOVE AVERAGE QUALITY

Reinforced concrete foundation, reinforced concrete columns; 8" or 6" external concrete block walls or bricks, Plastered on both sides; floors with good quality tiles such as ceramic, wood or marble. Aluminum framed window, panel, panel and or steel doors; awning or fixed glass windows. Plywood or flat asbestos ceilings; roofing material of aluminum or asbestos or 28-guage channeled zinc; 110-220v electrical connections; water and sewage or septic.

TAR = US\$35.00.

3.4.2 AVERAGE QUALITY

Reinforced concrete foundation; reinforced concrete columns; 6" eternal concrete block walls; jalousie windows, panel/plywood doors, terrazzo or vinyl tiles, roofing material of asbestos or zinc. **TAR = US\$30.00**

3.4.3 BELOW AVERAGE QUALITY

Framed structure in concrete or block walls, planks or channeled zinc, floor of concrete or plank, roof in channeled zinc, Electrical and water connection and running water.

TAR= US\$25.00

3.5.0 COMMERCIAL BUILDING (MULTI- STOREY OFFICE BUILDING WITH STORES AND DWELLING FACILITIES)

3.5.1 ABOVE AVERAGE QUALITY

Reinforced concrete foundation, reinforced concrete columns; 8" or 6" external concrete block walls or bricks, Plastered on both sides; floors with good quality tiles such as ceramic or marble. Aluminum framed glass, panel and or steel doors; aluminum framed glass, awning or fixed glass windows. Plywood or flat asbestos ceilings; roofing material of aluminum or asbestos or 28-guage channeled zinc; 110-220v electrical connections; water and sewage or septic. **TAR = \$30.00.**

3.5.2 AVERAGE QUALITY

Reinforced concrete foundation; reinforced concrete columns; 6" or 4" eternal concrete block walls; jalousie windows, panel/plywood doors, terrazzo or vinyl tiles, roofing material of asbestos or zinc. **TAR = US\$25.00.**

3.5.3 BELOW AVERAGE QUALITY

Structure usually converted to commercial purposes and therefore not having the specialized and / or facilities found in the better quality commercial structure. **TAR = US\$20.00.**

COMMERCIAL BUILDING

WARE- HOUSE

Usually large space building with no partition varying in construction quality and features, as follows:

- A. Reinforced concrete framed structure, usually with cast roof and concrete floor. TAR = US\$25**
- B. Concrete blocks structure with zinc roof and concrete floor. TAR = US\$20**
- C. Concrete foundation with prefab structures and roof or zinc. TAR = US\$10**

INDUSTRIAL

1. General type buildings

Building use in light industries may conform to commercial standard and should be valued accordingly.

2. SPECIAL BUILDINGS

Value according to cost figures submitted by owner.

3. SHED TYPE BUILDINGS

- A. Channeled zinc roof, concrete floor with sides close with concrete block.**

TAR = US\$15.00.

- B. Channeled zinc roof, concrete or laterite floor with open sides**

TAR = US\$18.00.

- C. Channeled zinc roof, concrete or laterite floor with open sides.**

TAR = US\$6.00.

Note: Estimated Economic life of a building = 50yrs.

Government of Liberia's Effective age is = 15 years.

: The Technical Appraisal Rate (TAR) is stated in United States dollars due to the fact that most construction materials are traded in US dollars, and that the Liberia Dollar fluctuates against the US dollar.

: **Properties Lease to GOL by private individuals or Business will be appraised on the basis of Income Approach. I.e. the Net Operating Income (Annual Rent) divided by the estimated rent factor of 12% per annum.**

Section 204 (Depreciation and Amortization) Sub-section B2 “Tangible Fixed Property states:

“Non-movable property is to be depreciated on an asset-by-asset basis and by the straight-line method over a 15-year period.

3.0 PENAL PROVISION

3.1 Section 2000(a) Under “Real Estate Tax Basis and Rate”

Basis: On and after the effective date of this Chapter, there shall be levied annually a tax on real property in accordance with the conditions hereinafter prescribed. The tax shall be imposed upon each parcel of land not exempt from taxation, as specified hereunder, and shall consist of (1) a tax on each parcel of unimproved land, which shall include under-improved land as hereafter defined, at rates prescribed herein depending upon its geographical classification and (2) a tax on each parcel of improved land at a stated percentage of its assessed value determined in accordance with the provisions of section 1902, the rate to be imposed depending upon the use classification of the building and other improvements thereon.

3.2 Section 1902: Knowing Disregard of Certain Tax Obligations

“Any person required under the provisions of the Tax Code or under the provisions of the Customs Code, to pay any tax, including any estimated tax, to pay any duty or other imposed under the Customs Code, or to comply with stamp duty requirements, or who is required under the provisions or by regulations made under authority thereof to make a return, declaration or other statement, keep any records or supply any information, shall be guilty of a misdemeanor and upon conviction, in addition to other sanctions provided by law, shall be fined not more than \$25,000.00 or be imprisoned not more than 30days, or both.”

This Regulation takes effect as of the date of signing.

Signed: 
Emeda Stewart Tamba
DEPUTY MINISTER FOR REVENUE

Signed: 
Augustine Kperife Ngafuan
MINISTER OF FINANCE