



REQUEST for EXPRESSIONS OF INTEREST
Provision of Individual Consultancy Services to the Liberia Revenue Authority
On
Tax Expenditure Framework Development, Analysis and Reporting

JOB DESCRIPTION: MANAGER, EXTERNAL AFFAIRS SECTION			
I. POST INFORMATION			
Job Title:	Individual Consultant: Tax Expenditure Framework Development, Analysis and Reporting	Classification :	Contract
Section:	Policy, Statistics and Strategic Planning Department (PSSPD)	Department:	Commissioner General Office
Supervisor's Title:	Commissioner- Domestic Tax ,	Supervision Given:	TER Team Members
Location:	Liberia Revenue Authority HQ,	Institution:	Liberia Revenue Authority
Start Date:	June 1, 2017	Duration	2 Months
II. BACKGROUND AND ORGANIZATIONAL SETTING			
<p>The Liberia Revenue Authority (LRA) was established by an Act in September 2013. It commence operations on July 1 2014 as a Semi-Autonomous Entity. The key mandate of the LRA is to administer revenues in a fair and transparent manner and to facilitate international trade. The Entity aims to collect lawful revenues due the people of Liberia legitimately. The LRA is structured along the core businesses of Domestic Tax and Customs.</p> <p>Domestic Tax is responsible for the collection of all domestic revenue (excluding revenue from international trade), to improve voluntary compliance of taxpayers, manage taxpayer compliance through comprehensive compliance management program, and optimize the revenue yield in accordance with the laws. These revenues include the corporate and personal Income tax, goods and services tax, domestic excise, real estate tax and all domestic fees imposed under the Liberia Revenue Code. The Domestic Tax Department will also be responsible for the administration of the value added tax VAT when implemented.</p> <p>The Customs Department is responsible for the collection of all import duty, the goods tax, and the excise imposed on importation, ECOWAS trade levy, Fees on export and other fees related to international trade and ensuring compliance with all legislations relating to the movement of goods entering, transiting and exiting the country, and the facilitation of legitimate trade and border management. The Customs Department maintains a close working relationship with domestic law enforcement agencies given its sensitive and strategic positioning at Liberia's international borders. Other Departments are the Technical Departments which focuses on procedures design and process monitoring, taxpayers' education, quality assurances and compliance, operational risk and information systems. The Administrative Department is responsible for budget finance, general services and human resource management.</p>			

As a newly established Entity, the LRA is properly positioning itself to adequately address its operational needs through strengthening improve technical assistance. To further ensure this positioning, the LRA has identified four goals to achieve in the next five years as follow:

1. To administer revenue in a fair and transparent manner;
2. To maximize voluntary compliance through improve service delivery;
3. To modernize and align HR policy and program to the LRA brand; and,
4. Modernize the LRA through the enhanced use of advanced Information and Communications Technology (ICT) solutions.

III. Rationale for Tax Expenditure Reporting

1. Tax expenditures can be defined as the amount of revenue foregone through the application of special tax regimes or tax provisions that are intended to promote and encourage a particular sector, activity or taxpayer. These Include: exemptions, deductions, credits, rate reliefs, deferrals.
2. From the perspective of managing Liberia's fiscal resources, forgoing revenue through any form of tax expenditure is equivalent to using revenue to finance conventional public expenditure. But if tax expenditures are not properly measured and reported, it will not be possible for the Government to make effective decisions about whether a tax expenditure or conventional expenditure would provide the most cost effective approach to delivering a policy goal.
3. The purpose of a Tax Expenditure Analysis is to analyse and quantify the various incentives and subsidies created by the government through provisions in the tax code or provisions in various agreements. The legal structure of a tax represents the benchmark and any deviation from that constitutes a tax expenditure
4. Tax Expenditure reporting is a powerful tool used by policy analysts to assess the repercussions of certain policies and to help guide applicable decision making Once various items are classified and quantified as tax expenditures, it helps in assessing the desirability of that Expenditure. Certain countries are legally obliged to produce tax expenditure reports. OECD countries started producing tax expenditure reports starting in the late 1960s but there is little or no presence of tax expenditure reporting in developing countries, Liberia being one of them.
5. The exercise of Tax Expenditure Reporting gains more significance in a country like Liberia, which needs to strengthen its domestic resource mobilization but at the same time, most of the major businesses operate on investment incentives. Therefore it is imperative to analyse what the cost and benefit of these incentives are in order to assess them more objectively.
6. Tax Expenditure Reporting will also throw light on the actual budgetary spending which is not explicitly captured in normal budget spending lines. IT will also determine those businesses that may be in a net expenditure position or fully subsidized by the people of Liberia. Budgetary expenditure without taking tax expenditure component embedded in the fiscal policy into account, tends to be biased and there is a need to mitigate that bias.

IV. JOB PURPOSE

The tax expenditure Consultant will work alongside relevant departments and accompanying divisions in the LRA to develop the Tax expenditure report. The work will be done by a TER team headed by the consultant, in order to have adequate knowledge transfer in the process. The consultant will have the following objectives,

1. To develop a comprehensive and consistent methodology to conduct tax expenditure reporting adapted to the Liberia Revenue Code. This will include but not be limited to,
 - a. Establish an estimation method (revenue foregone, revenue gained or outlay equivalence)
 - b. Understanding the current tax structure under the Revenue Code to establish the requisite benchmarks (legal or economic)
 2. To develop a standardized template and framework for reporting tax expenditure focusing both on Domestic Tax (disaggregated by tax types) and Customs (disaggregated by various duty free regimes and such exemptions) which can be replicated year on year.
 3. To identify categories for analysis of tax expenditure in major areas: 1. Tax Exemptions 2. Reliefs & Allowances 3. Tax Credits 4. Rate variation/Reduction 5. Tax Deferral 6. Tax Incentives.
- To define the sources of data that will be used for this exercise and structure a separate database to be maintained exclusively for the purpose of Tax expenditure reporting

V. MAIN TASKS AND RESPONSIBILITIES

<p>Preparation of a Tax Expenditure Report</p>	<p>The Consultant will lead and guide the process of developing assumptions and benchmarks and prepare a Tax Expenditure Report Some of the activities to this process include:</p> <ol style="list-style-type: none"> 1. Review of all the current investment incentives and agreements awarded by the government in various sectors. These include (but are not limited to) all concession agreements in the mining, agriculture, forestry other natural resources sectors. 2. Review of the Liberia Revenue Code and other regulations which establish the current tax structure to arrive at the benchmarks of tax rates, tax base for each tax category – PIT, CIT, GST, Import Duty, Excise 3. Conduct preliminary analysis and identify categories for analysis related to exemptions, relief and allowance, tax credits, rate deduction, tax deferral and tax incentive. 4. Based on the above, conduct a situation analysis for the identification of sectors on which the methodology will be piloted first 5. Produce a report which documents the necessary steps, data and information to produce a comprehensive Tax Expenditure Report 6. Once a sector wise tax expenditure component is established, arrive at a methodology to assess the benefit per tax dollar spent on the sector 7. Deliver a TER for the year 2015 and 2016
<p>Develop a standardized framework for reporting tax expenditure</p>	<p>The Consultant will work alongside the TER team in finalizing the framework for Tax Expenditure filing. The main task will include:</p> <ul style="list-style-type: none"> ✓ Identify Tax Expenditure by categories including PIT, CIT, GST, Import duty, Excise Tax and compare with the Taxes paid by the respective beneficiary. ✓ Identify tax expenditure by sector including manufacturing, Mining, Agriculture etc. ✓ Identify the value of Tax expenditure as a percentage of GDP, Budget ✓ Develop the structure for a database to be maintained for TER and automate the process as far as possible ✓ Develop a methodology and analysis report for TE ✓ Use the TER to formulate proposals as necessary for reassessment of the

	provisions that create the TE, as a part of the National Budget – propose a process for the same.
Capacity Building	<ol style="list-style-type: none"> 1. Develop a capacity-building plan for institutionalizing TE in the LRA 2. Organize trainings and capacity building activities including testing in Tax Expenditure formulation and reporting.
VI. REQUIRED COMPETENCE	
Knowledge	<ul style="list-style-type: none"> - General knowledge of Revenue administration (essential) - Knowledge of accounting and analysis of tax data, for the purpose of TER (essential)
Skills	<ul style="list-style-type: none"> - Excellent communication skills – written, oral and presentation (essential) - Excellent relationship-building skills (essential) - Excellent data analysis skills – Excel (essential) - Excellent Team management skills (essential) - Minimum Proficient computer skills: Excel, Word and PowerPoint (essential) - Willingness to travel and a desire to engage with people of all backgrounds and cultures.
VII. MINIMUM QUALIFICATIONS AND EXPERIENCE	
Education	<ul style="list-style-type: none"> • Must have a Master Degree from an accredited university or its equivalent in Accounting, Economics, Public Financial Management, Mathematics or related areas. • Professional certificate in Taxation, Charter Accountancy and related is an added advantage.
Experience	<ul style="list-style-type: none"> - Must have at least 5 years of senior-level experience in project management or program development in the African continent (a total of 7 – 10 years of experience overall) - Must have experience of developing Tax Expenditure Reporting and must have worked with the methodologies within the African Continent. (Must be able to provide proof if requested) - Must have previous experience of developing national level program implementation strategy - Must have previous experience in working with or in a government organization in a developing country
VIII. APPLICATION REQUIREMENTS	
<p>To apply, please submit your resume and one original writing sample online via the LRA Jobs Portal (http://lra.gov.lr/vacancies/).¹ Please note that the writing sample <u>must be original work</u>, and will be run through plagiarism-detecting software to verify its originality. Candidates found to be presenting unoriginal work will be automatically disqualified.</p> <p>Only those candidates who have been shortlisted will be contacted for an interview. During the interview, candidates are required to put on a 5-minute PowerPoint presentation on why they are a suitable candidate for the job. Please note that the presentation will be judged for its quality as one of the responsibilities this position entails is to prepare presentations for and represent the LRA.</p>	
IX. ATTENTION	
<p>Electronic ToRs can be seen on LRA's Facebook / Twitter / LinkedIn All applications must be directed to HR: The Assistant Commissioner of Human Resources Division Department of Administration Affairs</p>	

¹ The writing sample must each be between 2 and 5 pages long, or a maximum of 1500 words. Please use a Times New Roman font (point size 12) and 1.5 point line spacing. The sample can be a part or whole of a project proposal, donor report, technical publication, newspaper article, etc.

Liberia Revenue Authority

Attention: Interested individuals are advised to submit their application/s and resume online (www.lra.gov.lr) via LRA job recruiting link (job portal).

Note: Every ToR downloaded has a corresponding link to submit related application/resume for said job.

Deadline: Expressions of interest are now invited from eligible Law Firms to indicate their interest in providing the above-mentioned stated services. Interested firms must provide information indicating that they are qualified to perform the services (brief corporate profile, description of similar assignments, experience in similar conditions, availability of appropriate skills, etc.). Firms will be selected in accordance with the procedures and provisions set out in the **Public Procurement and Concessions Act (PPCA) revised Sept 2010** of Liberia.

Expressions of Interest must be clearly marked "Expression of Interest for the Provision of Legal Services to the Liberia Revenue Authority" and delivered to the address below (**by hand or e-mail**).

Proposal must be submitted on or before Friday, May 19, 2016, 12:00 p.m. at the Liberia Revenue Authority Headquarters, ELWA Junction, Paynesville, Liberia

Provision of Legal Services to the Liberia Revenue Authority

Liberia Revenue Authority

LRA Headquarters

ELWA Junction

Paynesville, Liberia

Tel: 231-(0886) -517-891

Email: walter.dean@lra.gov.lr