

NAME: SHITTU TAIYE FARIDA

MATRIC NO: 17/SMS02/060

ACC 310 (INTRODUCTION TO TAX LAWS)

ASSIGNMENT: RELIEFS AND ALLOWANCES, QUESTION (3.)

ODD NUMBER.

Mr.Willi Willi

Computation of tax liability for Mr.willi willi for 2013 year of assessment.

	₦	₦
<u>EARNED INCOME:</u>		
Annual salary from caban bank 5/12×32,000,000		13,333,333
Basic salary per annum 7/12 ×48,000,000	28,000,000	
Housing allowance	12,000,000	
Transport allowance	2,000,000	
Utility allowance	800,000	
Meal allowance	500,000	
Leave allowance	4,800,000	
Clothing allowance	<u>2,000,000</u>	50,100,000
<u>Benefit in kind:</u>		
Office car 5% × 7,500,000	<u>375,000</u>	<u>375,000</u>
Gross emoluments		63,808,333
Unearned income		<u> </u>
Gross income		63,808,333
<u>Reliefs and allowances</u>		
Consolidated relief allowance (higher of 200,000 or 1% of gross		
Income plus 20% of gross income)	13,399,750	

Life assurance premium	2,800,000	
NHF	4,900,000	
Pension scheme	1,166,667	
NHS Premium	<u>350,000</u>	<u>22616417</u>
Taxable income		<u><u>41,191,916</u></u>
Assumption of tax liability		(3,200,000)

Applying tax table	₦
1 st 300,000 @ 7%	21,000
Next 300,000 @ 11%	33,000
Next 500,000 @ 15%	75,000
Next 500,000 @ 19%	95,000
Next 1,600,000 @ 21%	336,000
Next 37,991,916 @ 24%	<u>9,118,060</u>
Annual tax liability	<u><u>9,678,060</u></u>