

NAME: OLOMU EVELYN OGHENEVBRA  
 MATRIC NO: 17/SMS02/050  
 COURES: ACC 310 (TAXATION)

**MRS AMARACHI UBA**

**COMPUTATION OF THE PERSONAL INCOME TAX LIABILITY FOR THE 2012 YEAR OF ASSESSMENT**

<u>Earned income:</u>	₦	₦
Gratuity		30,000,000
Salary from septraco limited		60,000,000
<u>Benefit in kind:</u>		
Toyota prado (5% of 15000000)	750,000	
Accommodation	7,500,000	8,250,000
Gross emoluments		<u>98,250,000</u>
Unearned income:		<u>0</u>
		98,250,000
<u>Relief and allowances:</u>		
consolidated relief allowance (200000 or 1% of gross income plus 20% of gross income)		
(1% of 98250000 + 20% of 98250000) (982,500 + 19,650,000)	20,632,500	
pension contribution ( 12 * 400,000)	4,800,000	
life assurance policy premium	6,000,000	-31,432,500
		<u>66,817,500</u>

Taxable Income:

		₦
1st	300,000 of 7%	21000
Next	300,000 of 11%	33000
Next	500,000 of 15%	75000
Next	500,000 of 19%	95000
Next	1,600,000 of 21%	336,000
Above	3,200,000 of 24%	15,268,200
Annual tax liability		15,828,200

Working:

Above 3,200,000 of 24%

$66,817,500 - 3,200,000 = 63,617,500$

$63,617,500 * 24\% = 15,268,200$