

KOLAWOLE OLUMIDE

17/SMS02/031

SOLUTIONS TO QUESTION 3

MR. WILLI WILLI

COMPUTATION OF PERSON INCOME TAX LIABILITY FOR 2013 YEAR OF ASSESSMENT

	₦	₦
EARNED INCOME		
Basic salary (7/12 x 48,000,000)		28,000,000
Housing Allowance (7/12 x 12,000,000)		7,000,000
Transport Allowance (7/12 x 2,000,000)		1,166,667
Utility Allowance (7/12 x 800,000)		466,667
Meal Allowance (7/12 x 500,000)		291,667
Leave Allowance (7/12 x 4,800,000)		2,800,000
Clothing Allowance (7/12 x 2,000,000)		1,166,667
Benefit in kind (5% x 7,500,000 x 7/12)		218,750
Caban Bank PLC (5/12 x 32,000,000)		<u>13,333,333</u>
GROSS EMOLUMENTS		54,443,751
Unearned Income		-
Gross Income		54,443,751
RELIEFS AND ALLOWANCES		
Consolidated Relief Allowance (higher of 200,000 or 1% of Gross Income Plus 20% Of Gross Income (200,000 plus 20% of 54,443,751)	11,443,188	
Life Insurance Premium	3,000,000	
National Housing Fund Contribution	4,900,000	
Pension	1,666,667	
NHIS	350,000	<u>(20,849,855)</u>
TAXABLE INCOME		33,593,899
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	
Above 3,200,000@ 24%	<u>7,294,536</u>	
	7,854,536	