MEZEH TAREMI DAVID

17/SMS02/033

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) 13,333,333

**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 (20,849,855)

Taxable Income 33,593,899

APPLYING TAX TABLE ₦

1st 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% 7,294,536

 7,854,536