

SOLUTION TO QUESTION 3

MR WILI . WILI

COMPUTATION OF PERSONAL INCOME TAX LIABILITY FOR 2013 YEAR OF ASSESMENT

	₱	₱
EARNED INCOME		
Income from caban bank (salary)(5/12×32,000,000)		13,333,333
income from zenion bank(salary)(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	2,000,000	
BENEFIT IN KIND :		
Official Car (5/100×7,500,000)	<u>375,000</u>	50,475,000
GROSS EMOLUMENTS		63,808,333
UNEARNED INCOME		-
GROSS INCOME		63,808,333
RELIEF & ALLOWANCES		
Consolidated Relief Allowance (higher of 200,000 or 1% of Gross income plus 20% of Gross income)(638,083 +12,761,667)	13,399,750	
Life Assurance Premuim	2,800,000	
National Housing Fund	4,900,000	
Pension	1,166,667	
National Health Insurance Scheme	<u>350,000</u>	<u>(22,616,417)</u>
TAXABLE INCOME		<u>41,191,916</u>
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%		
24% × 37,991,916)	<u>9,118,060</u>	
ANNUAL TAX Liability	<u>9,678,060</u>	

