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 Department: Accounting
 Course: Acc 310
 Solution to Question 3

Mr Willi Willi

Computation of Tax Liability for 2013 Year of Assessment

Earned Income:

Salary from Caban Bank($5/12 \times 3,200,000$)	
Basic salary from Zenith Bank($7/12 \times 4,800,000$)	₦ 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:	
Motor Vehicle($5\% \times 7,500,000$)	

Gross Emolument/Gross Income

Reliefs & Allowances

Consolidated Relief Allowances($1\% \times 63,808,333 + 20\% \times 63,808,333$)	
:638,083+127,616,667	₦ 13,399,750
Life Assurance	₦ 2,800,000
National Housing Fund	₦ 4,900,000
Pension Scheme	₦ 1,166,667
NHIS Premium	₦ 350,000

Taxable Income

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%	
:(41,191,916-3,200,000)37,991,916	
:24% \times 37,991,916	₦ 9,118,060
Annual Tax Liability	₦ 9,678,060

₦ 13,333,333

₦ 50,100,000

₦ 375,000

₦ 63,808,333

-₦ 22,616,417

₦ 41,191,916