

Solution to question 3

MR WILLI WILLI

COMPUTATION OF PERSONAL INCOME TAX LIABILITY FOR 2013 YEAR OF ASSESSMENT

	₦	₦
EARNED INCOME		
Income from CABAN BANK		
Salary 1/1/13-1/5/13 (5/12×32,000,000)		13,333,333
Income from ZENION BANK		
Salary 1/6/13-1/12/13 (7/12×48,000,000)	28,000,000	
Housing Allowance (7/12×12,000,000)	7,000,000	
Transport Allowance (7/12×2,000,000)	1,166,667	
Utility Allowance (7/12×800,000)	466,667	
Meal Allowance (7/12×500,000)	291,667	
Leave Allowance (7/12×4,800,000)	2,800,000	
Clothing Allowance (7/12×2,000,000)	1,166,667	40,891,668
BENEFITS -IN- KIND		
Official Car (5/100×7,500,000×7/12)		218,750
Gross Emoluments		54,443,751
UNEARNED INCOME		
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Gross Income		<u>54,443,751</u>
RELIEFS AND ALLOWANCES		
Consolidated Relief Allowance (1% of Gross Income plus 20% of Gross Income)	11,433,188	
Life Assurance Premium	2,800,000	
National Housing Fund Contribution	4,900,000	
Pension Contribution	1,166,667	
NHIS Premium	350,000	20,649,855
Taxable Income		<u><u>33,793,896</u></u>
Applying Tax Table		
1st 300,000@7%	21,000	
Next 300,000@11%	33,000	
Next 500,00@15%	75,000	
Next 500,00@19%	95,000	
Next 1,600,000@21%	336,000	
Next 30,593,896@24%	7,342,535	
Annual Tax Liability		<u><u>7,902,535</u></u>