



**3055 BA SANGAM COLLEGE**  
PH: 6674003/9264117 E-mail: basangam@connect.com.fj



### WORKSHEET 21

SCHOOL: BA SANGAM COLLEGE

YEAR: 10

SUBJECT: MATHEMATICS

NAME OF STUDENT: \_\_\_\_\_

STRAND	5 - MEASUREMENT
SUB-STRAND	5.2 Tax Assessment
LEARNING OUTCOME	Calculate the total amount paid when goods are bought on hire purchase, credit terms and lay by

#### WHY TAXES???

Taxes are a form of income for the government of Fiji. This income is used for social security, health care, national defense and for many other important reasons.

#### Pay As You Earn

- Income tax is a tax on the money that you earn and is called **Pay As You Earn**.
- In Fiji there is a new system where the correct amount of PAYE is deducted from the salaries and wages.
- The main objective of the new system is to ensure that tax payers pay the correct tax and there is no refund or liability.
- In Fiji any individual earning up to \$3000 does not have to pay tax.
- There are separate rates of normal tax for resident and non-resident individuals.
- The tables below show the tax rates that are charged on the chargeable income.
  - Chargeable income = Total income – Total allowances & deductions**
- Normal tax** is a basic rate of taxation (as on income) applied to taxpayers.
- The calculation of normal tax will be based on actual income and the tax rates applicable to the relevant period

## RESIDENT TAXPAYERS TAX TABLE

Chargeable Income (\$)	Income Tax Payable (\$)
0 - 30,000	Nil
30,001 - 50,000	18% of excess over 30,000
50,001 - 270,000	3,600 + 20% of excess over 50,000
270,001 - 300,000	47,600 + 20% of excess over 270,000
300,001 - 350,000	53,600 + 20% of excess over 300,000
350,001 - 400,000	63,600 + 20% of excess over 350,000
400,001 - 450,000	73,600 + 20% of excess over 400,000
450,001 - 500,000	83,600 + 20% of excess over 450,000
500,001 - 1,000,000	93,600 + 20% of excess over 500,000
1000000+	193,600 + 20% of excess over 1,000,000

## NON-RESIDENT TAXPAYERS TAX TABLE

Chargeable Income (\$)	Income Tax Payable (\$)
0 - 30,000	20% of excess over \$0
30,001 - 50,000	\$6,000 + 20% of excess over 30,000
50,001 - 270,000	\$10,000 + 20% of excess over 50,000
270,001 - 300,000	\$54,000 + 20% of excess over 270,000
300,001 - 350,000	\$60,000 + 20% of excess over 300,000
350,001 - 400,000	\$70,000 + 20% of excess over 350,000
400,001 - 450,000	\$80,000 + 20% of excess over 400,000
450,001 - 500,000	\$90,000 + 20% of excess over 450,000
500,001 - 1,000,000	\$100,000 + 20% of excess over 500,000
1000000+	\$200,000 + 20% of excess over 1,000,000

### Example: 1

Mr. Mikaele Waqa is resident of Fiji and is a school teacher and his chargeable income is \$38,493. Using the tables above calculate his normal tax.

SOLUTION

Since Mr. Mikaele is a resident, we will use the table for resident tax rates and we choose the row in which Mr. Mikaele's income falls.

30,001 - 50,000	18% of excess over 30,000
-----------------	---------------------------

#### Step 2

Find the excess over \$30,000.

$$\$38,493 - \$30,000 = \$8,493$$

#### Step 3

Find 18% of excess over \$30,000.

$$\frac{18}{100} \times 8493 = \underline{\underline{\$1528.74}} \text{ (Normal tax paid)}$$

### Example .2

Mr. David Rodney is a non- Fiji resident and works in Fiji as a lecturer at one of the local University. His chargeable income is \$185,890. Calculate his normal tax

SOLUTION: Since Mr. David Rodney is a non- resident, we will use the table for non- resident tax rates and we choose the row in which his income falls.

50,001 - 270,000	\$10,000 + 20% of excess over 50,000
------------------	--------------------------------------

#### Step 2

Find the excess over \$50,000.

$$\$185,890 - \$50,000 = \$135,890$$

#### Step 3

Find 20% of excess over \$50,000.

$$\frac{20}{100} \times 135890 = \$27178$$

#### Step 4

10000 + 20% of excess over \$50000.

$$10000 + 27178 = \underline{\underline{\$37178}}$$

### Activity

**Use the tables for Resident and Non-Resident tax rates above to answer the following questions**

1. Mr. Pradeep Kumar's chargeable income is \$51,435.00. Calculate his normal tax. **(2 mark)**
2. Ms. Katie Brown is a New Zealand resident who is hired by one of the local companies in Fiji. Her chargeable income is \$76,567.00 dollars. Find her normal tax. **(2 mark)**
3. Mr. Kesar's chargeable income is \$353,569.00 and is a Fijian resident. Calculate his normal tax. **(2 mark)**