

Form 5: Chapter 4
Consumer Mathematics: Taxation
Fully-worked Solutions

UPSKILL 4.1

- 1 Taxes collected are spent by the government for the benefit of the people such as physical development and infrastructure like roads, hospitals, schools and economic and social development such as health services, education, welfare of the people and so on.
- 2 Fines of RM1000 to RM10 000 and 200% on tax reported less.
- 3 Quit tax is a tax imposed on private land. It must be paid by the landlord to the State Authority through the Land Office.
- 4 The assessment tax is imposed by the State Government in accordance with the provisions of the National Land Code 1966. The tax will be used by the State Government to finance the maintenance cost of the city.
- 5 (a) 6% (b) Maximum 10%
- 6 Total tax relief = Total income – Chargeable income
Total rebate = Chargeable income – Tax payable
- 7 Yearly value: RM6 000
Rate: 12%
Assessment tax = $\frac{12}{100} \times 6\,000 = \text{RM}720$
RM360 for the first half of the year and RM360 for the second half of the year
- 8 A fine of RM1000 to RM20 000 or jailed or both and a 300% on tax less reported
- 9 Land tax = $(20 \times 80) \times 0.0625 = \text{RM}100.00$

Summative Practice 4

Multiple-Choice Questions

- 1 The fine for paying income tax after the dateline 10% increment from the tax payable.
Answer: B
- 2 The dateline to pay income tax is 30 April.
Answer: B
- 3 To strengthen the power of the governing party is not a purpose of taxation.
Answer: D
- 4 Income tax rebate is given to individuals who have taxable income not exceeding RM35 000.
Answer: B
- 5 The penalty for purposely avoid income tax other than RM1000 to RM20 000 fine or jailed is 300% on tax less reported.
Answer: C
- 6 The tax relief for a child studying in university is RM8 000.
Answer: A

7 An individual who has annual income exceeding RM RM34 000 (after EPF deduction) has to register the income tax file.

Answer: C

8

	(RM)
Statutory income from employment	80 000
Minus relief	15 500
Taxable income	64 500
First 50 000	1 800
Next 14 500 @ 0.14	2 030
Total income tax	3 830
Minus <i>Zakat</i>	(150)
Minus monthly tax deduction	(1 260)
Balance of tax payable	2 420

Hence, the tax payable by Encik Iswan is **RM2 420**.

Answer: B

9

	(RM)
Statutory income from employment	53 700
Tax Relief	
Individual and dependent relatives	9 000
Lifestyle (Restricted to RM5 000)	2 400
EPF (Restricted to RM7 000)	4 400
Medical insurance (Restricted to RM3 000)	3 000
Minus tax relief	(18 800)
Taxable income	34 900
First 20 000	150.00
Next 14 900 @ 0.03	447.00
Total income tax	597.00
Minus rebate	(400.00)
Minus <i>Zakat</i>	(100.00)
Balance of tax payable	97.00

Hence, the tax payable by Cik Suryani is RM97.00.

Answer: A

Structured Questions

1 (a) (i)

	(RM)	Encik Azmi (RM)
Statutory income from employment		80 000
AGGREGATE INCOME		80 000
MINUS: Approved donations		(250)
SUM OF INCOME		79 750
MINUS RELIEF		
Individual and dependant relatives	9 000	
Basic support equipment	5 000	
Purchases of newspapers and books	600	
Child 1	8 000	
Child 2	0	
Child 3	2 000	
Life insurance and EPF	6 600	
Sum of relief	31 200	(31 200)
CHARGEABLE INCOME		48 550
INCOME TAX COMPUTATION		
First 35 000		600.00
Next 13 150 @ 0.08		1 084.00
SUM OF INCOME TAX		1 684.00
LESS: Rebate, <i>Zakat</i> and <i>Fitrah</i>		(100)
TAX PAYABLE		1 584.00

(ii)

	(RM)	Puan Rafidah (RM)
Statutory income from employment		40 000
AGGREGATE INCOME		40 000
LESS: Approved donations		(100)
SUM OF INCOME		39 900
LESS RELIEF		
Individual and dependants	9 000	
Basic support equipment	-	
Education fees (self)	6 000	
Purchase of newspapers and books	1 000	
Child 1	-	
Child 2	-	
Child 3	-	
Life insurance and EPF	6 400	
Sum of Relief	22 400	(22 400)
CHARGEABLE INCOME		17 500
CALCULATION TAX COMPUTATION		
First 5 000		0.00
Next 12 500 @ 0.01		125.00
TOTAL INCOME TAX		125.00
MINUS: Rebate, <i>Zakat</i> and <i>Fitrah</i>	400	(400.00)
TOTAL TAX CHARGED		0.00

Chargeable income less than RM35 000 will be given a rebate of RM400.

In the BE form, row B14 for Total Tax Charged, it is stated, enter '0' if the value is negative, which is -RM275.

(b)

	(RM)	Encik Azmi (RM)	Puan Rafidah (RM)
Statutory income from employment		80 000	40 000
AGGREGATE INCOME		80 000	40 000
MINUS: Approved donations		(250)	(100)
TOTAL INCOME		79 750	39 900
MINUS RELIEF			
Individual and dependents	9 000		
Basic support equipment	5 000		
Education fees (self)	6 000		
Purchase of newspapers and books	1 600		
Child 1	8 000		
Child 2	0		
Child 3	2 000		
Life insurance and EPF	7 000		
Sum of Relief	38 600	(38 600)	
TAXABLE INCOME		119 650 – 38 600 = 81 050	
INCOME TAX COMPUTATION			
First 70 000		4 600.00	
11 050 @ 0.21		2 320.50	
TOTAL INCOME TAX		6 920.50	
MINUS: Rebate, <i>Zakat</i> and <i>Fitrah</i>		(100)	
TAX PAYABLE		6 820.50	

Although life insurance dan EPF contribution = 6 600 + 6 400 = RM13 000, the tax relief is restricted to only RM7 000.

(c) Separate assessment is better for Encik Azmi and Puan Rafidah because they can save RM6 820.50 – 1 584.00 – 0 = RM5 236.50.

SPM SPOT

1 Peninsular Malaysia

$$\text{Road tax} = \text{RM}380 + (2\,354 - 2\,000) \times \text{RM}1.00 = \text{RM}734$$

Sabah and Sarawak

$$\text{Road tax} = \text{RM}274 + (2\,354 - 2\,000) \times \text{RM}0.50 = \text{RM}451$$

$$\text{Difference} = \text{RM}734 - \text{RM}451 = \text{RM}283$$

Answer: D

2 (a) (i)

Item	Encik Farizul (RM)	
Total income		79 450
Approved donation	645	(645)
Net income		78 805
Tax relief		
Individual and dependent relatives	9 000	
Lifestyle (Restricted to RM5 000)	5 000	
Life insurance (Restricted to RM7 000)	7 000	
Medical insurance (Restricted to RM3 000)	3 000	
	24 000	(24 000)
Chargeable Income		54 805
Income tax calculation		
First 50 000	1 800.00	
Next 4 805 @ 0.14	672.70	2 472.70
Zakat	800	(800)
Tax payable		1 672.70

Item	Puan Hazlijah (RM)	
Total income		56 540
Approved donation	645	(645)
Net income		55 895
Tax relief		
Individual and dependent relatives	9 000	
Lifestyle (Restricted to RM5 000)	5 000	
Life insurance (Restricted to RM7 000)	6 969	
Medical insurance (Restricted to RM3 000)	2 955	
	23 924	(23 924)
Chargeable Income		31 971
Income tax calculation		
First 20 000	150.00	
Next 11 345 @ 0.03	359.13	509.13
Zakat	100.00	(100.00)
Rebate	400.00	(400.00)
Tax payable		9.13

(ii)

Encik Farizul (RM)		
Total income		135 990
Approved donations	1 290	(1 290)
Net income		134 700
Tax relief		
Individual and dependent relatives	9 000	
Lifestyle (Restricted to RM5 000)	5 000	
Life insurance (Restricted to RM7 000)	7 000	
Medical insurance (Restricted to RM3 000)	3 000	
	24 000	(24 000)
Chargeable Income		134 700 – 24 000 = 110 700
Income tax calculation		
First 100 000		10 900.00
Next 10 700 @ 0.24		2 568.00
Total income tax		13 468.00
<i>Zakat</i>		900.00
Tax payable		12 568.00

(iii) Separate tax assessment is better because they can save $\text{RM}(12\,568.00 - 1\,672.70 - 9.13) = \text{RM}10\,886.17$.

$$(b) (i) \text{RM} \left(60 + \frac{6}{100} \times 60 \right) = \text{RM}(60 + 3.60) = \text{RM}63.60$$

↑
Service tax 6% as in 2023

$$(ii) \frac{100+10}{100} = 1.1 \rightarrow \text{RM}328.90$$

$$\frac{100}{100} = 1 \rightarrow \text{RM} \left(\frac{1}{1.1} \times 328.90 \right) = \text{RM}299.00$$