

FACULTY OF ECONOMICS AND MANAGEMENT SCIENCES

DEPARTMENT OF TAX MANAGEMENT

BACHELOR OF SCIENCE IN TAXATION - 2016/ 2017

Year ONE

THE INSTITUTE OF FINANCE MANAGEMENT



FACULTY OF ECONOMICS AND MANAGEMENT SCIENCES

DEPARTMENT OF ECONOMICS AND TAX MANAGEMENT

BACHELOR OF SCIENCE IN TAXATION

2016/2017

Year TWO

A PROJECT REPORT ON XXXXXXXXXXXXXXXXXXXX

NAME : XXXXXXXX

REG. NO : XXXXXXXX

ACADEMIC YEAR: XXXXXXXX

SUBMISSION DATE: XXXXXXXX

TITLE (COVER) PAGE – (See format above)

PRELIMINARY PAGES

Begin each part on a separate page

Headings must appear at the top of the page, positioned at the centre, in capital letters and in bold text.

Presentation of the preliminary pages takes the following sequence which involves some or all of the following parts;

- *Dedication*
- *Acknowledgement*
- *List of acronyms*
- *Table of contents*
- *List of Table, figures, if any.*
- *Executive Summary*

CHAPTER ONE (2-3pages)

1.0 INTRODUCTION

- Set the context by introducing the topic of your project
- Provide a clear expression of the purpose of which your report is expected to assert, explain, support or defend clearly state problem/issue of interest objectives and study questions for this project. Broadly speaking, summarize the main idea of a project and make the idea explicit to the readers.
- Finally, provide a short outline of how you are going to handle/address the aspects of your project in the rest of your paper.

CHAPTER TWO (4-5 pages)

2.0 OVERVIEW OF THE INDUSTRY/SECTOR

- Provide a clear description of the basic components of the sector
- Provide a clear explanation on how the sector is being financed
- Provide a clear description about the coverage of the sector in terms of benefits offered and the people covered

CHAPTER THREE (3-4 pages)

3.0 PRESENTATION OF FINDINGS

- Present the results you obtained in line with the study objectives
- Make sure that you present your results logically and follow the order of the objectives as listed in your project question
- Measures taken to improve the performance of the Institute should be included under this chapter

CHAPTER FOUR (4 pages)

4.0 DISCUSSION OF FINDINGS

4.1 Discussion of the results

- Try to interpret the information you have found in the results in the light of your conception of the topic/ problem of the project and discuss them accordingly.
- Provide your personal view on whether the fund is performing
- In your discussion, make sure that you address the objectives/questions of your project

CHAPTER FIVE (2-3 page)

5.0 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

- Provide an effective conclusion which gives the answer to the main questions/objectives of the project
- Your conclusion should provide a summary of what argued in before in the texts, answer the main questions and incorporate your personal view.
- Identify if there is any challenges in your analysis

5.2 Recommendations

- In line with what you observed in your analysis, give your advice to the respective authority addressing the needs of your project and the challenges, if any.

6.0 REFERENCE/ BIBLIOGRAPHY

- Use either reference or bibliography as your heading for this section.
- Adhere to the alphabetical order i.e. different entries should be arranged in alphabetical order by the surname of the first author. Each entry starts with a hanging indent and 1.5 lines spacing between.
- No numbering for your list
- You list the sources that you have used in your work. Don't list sources just for the sake of adding materials to this section

APPENDICES, if any.

- Attach all supporting files/materials you used in your project, if any.

Formatting

Font; Times New Roman, size 12.0

Line spacing 1.5

Alignment; Justified

NOTIFICATION

- ✓ Please follow the structure of the project as indicated above.
- ✓ You are advised to plan your work carefully and back-up your work using different storage devices in order to avoid problems as a result of computer crash, virus attack or any other reason. Computing and printing problems will NOT be accepted as reasons for non-submission
- ✓ Finally, **PLAGIARISM** is not accepted.

PROJECT WORK QUESTION FOR BSC TAX YEAR 1 2016/17

Mr. X was employed for a period of 10 years from 1997 by J & SONS Co. Ltd as the chief accountant. He is having a family of five children who are still pursuing their O level education in various secondary schools in the country and a wife. The salary scale as per his contract is as follows:-

1/1/1997 to 31/12.1997	Tshs. 1,000,000 pm
1/1/1998 to 31/12/1998	Tshs. 1,500,000 pm
1/1/1999 to 31/12/2000	Tshs. 2,000,000 pm
1/1/2001 to 31/12/2004	Tshs. 3,000,000 pm
1/1/2005 to 31/12/2006	Tshs. 4,000,000 pm

He was paid his salary as per the contract until the year 2004 when the company continued to pay him only Tshs. 3,000,000 due to some misunderstanding with his employer. He referred the case to the TUGHE which also referred the case to the labour Tribunal, and the labour tribunal give its verdict on the 30/05/2006, and from then onwards continued to pay him the salary as pre the contract of service.

In all the years of his service, he was provided with a fully furnished government owned house, to which the company was required to pay a monthly rent of Tshs.120,000. The same house could fetch a rent of up to 480,000 in the open market. The cost of furniture is Tshs. 500,000/=

The house had a security guard from ultimate security whose monthly salary of 150,000/= was paid by the company.

On 31/03/2006, the government house was declared not to be suitable and Mr. Millennial shifted to live with his relatives in Magomeni and the Company paid him housing allowance of 300,000 pm. However Mr. Millennial completed the construction of his new house and therefore shifted from his relative to his new house on 1/07/2006. The company is making a 15% of his basic salary as monthly contribution to PPF the approved retirement fund, for the benefit of Mr. Millennial. The statutory requirement contribution to PPF is 20%.

The amount of 500,000 was credited to his account with the Akimbo Commercial Bank as interest for the year 2006.

Mr. Millennial owns a soft drink kiosk situated along Kawawa Road which earned him a chargeable income of 40,000,000 during year 2006.

He is a member of the Gymkhana Club. For the year 2006 the club made the distribution of profits to its members and Mr. Millennial received Tshs 2,500,000.

The company also provide free medical services to its employees, who are treated at Mission Mikocheni Hospital. The total bill to service rendered to him with the family amounted to 3,000,000. In addition, the company reimbursed him 600,000 being medical expenses personally incurred by him in another hospital which is not known by the employer.

Since the company is faced by the shortage of cars, he was allowed to use taxi survive for commutation to and from work. The taxi bill for 2006 was 20,000,000 and was fully mate by the company on 30/4/2007

He lecturers at the IFM where he is employed on part time basis and earns 10,000 per hour. During the year he had 40 hrs of lecturing.

In addition to that, the institution had given him shares worth 5,000,000 Tzs due to good consultancy service provided by him to the company as honorarium, three weeks later the institution bought same shares from him at a value of 8,000,000 Tzs.

The total water bill for 2006 was 400,000/=. Though it stood in the name of Mr. Millennial, it was fully paid by the company.

On 30/06/2006 Mr. Millennial employment contract was terminated. Accordingly therefore he was to receive 60,000,000 as compensation on 10/07/2006 when his salary was 4,000,000/= per month.

A very big farewell party was held on the 25/12/2006 by the company. During the party he was presented with a cheque of 60,000,000 being honorarium payment, for the good services rendered to the company. In addition to that he was awarded a refrigerator worth Tshs. 350,000. His workmates also made an on the spot collection of Tshs. 2,000,000 and handed the money to him. When he left for home after the party a left over cartoon of Scotch whisky worth 6,000,000 was also handed over to him.

Required:

- a) Discuss the in details, the meaning of employment and employment income and how it differs from investment and business
- b) Discuss the scope of chargeability with respect to residential status of individual
- c) Calculate the chargeable income from employment for the year 2006 basing on the bases of above facts.