

Philippine Income Tax Computation (Lab Study Guide 4)

Introduction

In this lab activity, you will write your own application (individual work) that computes the income tax payable by earning Filipino individual and business organizations.

An income tax is the amount that income earning Filipinos and business organizations have to pay to the government on yearly basis. The income tax that the payors' pay is based on various factors such as total income earned, number of dependents, total deductions, etc.

Objective: At the end of this activity, you should be able to:

1. Write a Javascript to compute the income tax payable by an individual or business entities;
2. Understand how much income tax is paid depending on the income bracket
3. Use various javascript controls to solve income tax computation.

Activity:

Write a program that asks the user to input the following information:

1. Monthly income
2. Number of dependents (e.g. Old parents & Children below 21 yrs old).
3. Government worker – Yes/No?

Then, based on the previous information, let your program compute the following

1. If government workers: monthly GSIS deduction = 9% of the monthly income
2. If private workers, monthly SSS deduction = 11% of the monthly income

Social Security System (SSS)/ Government Service Insurance System (GSIS). SSS and GSIS are insurance program by the government for private/professional employees and government employees, respectively. Both are aimed to provide protection to its members and beneficiaries. **SSS** and GSIS members can avail of maternity, sickness, disability, retirement, funeral and death benefits. Read more from <http://bit.ly/2OWy4AH> and <https://bit.ly/3d8YJ5x>

3. Pag-ibig deduction per month - 1.375% of his/her salary per month.
4. Philhealth deduction per month – 3.5% of his/her salary per month

The government provides Filipinos social welfare services through the Home Development Mutual Fund (Pag-IBIG), and the Philippine Health Insurance Corporation (PhilHealth). To ensure that everyone has access to these services, employers and employees are required by law to contribute to these agencies through salary deductions as specified in the Philippine Labor Code. Pag-ibig and Philhealth are applied to both private and government employees.

5. Personal exemption/ tax payer = 250,000
6. Additional Personal Exemption (APE) = P50,000/ dependent / year. Max of 4 dependents only can avail the P50,000 exemption. For example:
 - a. If # of dependents = 2, then the APE = $2 \times 50,000 = 100,000$
 - b. If # of dependents = 4, then the APE = $4 \times 50,000 = 200,000$
 - c. If # of dependents = 6, then the APE = 200,000
7. Then, compute the following:
 - Gross income = monthly income*12 + 13th month pay
 - a. 13th month pay = 1 month salary
 - Total deductions (government employees):
 - Total deductions = Personal exemption + Dependent Exemptions + Total GSIS deduction + Total PhilHealth Deduction + Total PagIbig Deductions
 - Total deductions (private employees):
 - Total deductions = Personal exemption + Dependent Exemptions + Total SSS deduction + Total PhilHealth Deduction + Total PagIbig Deductions
 - **Net Taxable Income = Gross income – Total deductions**
8. Then, compute the Payable Tax using the following table of computation

Net Taxable Income	Payable tax
1 – 250,000	0%
250,000 – 400,000	20% of the excess over P250,000
400K – 800K	P30,000 + 25% of the excess over P400,000
800K – 2M	P130,000 + 30% of the excess over P800,000
2M – 8M	P490,000 + 32% of the excess over P2,000,000
8M+	P2,410,000 + 35% of the excess over P8,000,000

9. Countercheck the correctness of your work using the following test data (Please see the attached Excel File)

Due: Not later than 30 March 2021

Program Specifications:

- 1) When your program is executed, provide a brief information what the program is all about and your name.
- 2) Use a single form to capture or receive the following information:
 - the Monthly income,
 - Number of dependents (e.g. Old parents & Children below 21 yrs old)
 - if the taxpayer is a government worker or not Government worker – Yes/No?
- 3) Your program should use functions to compute the deductions (1 or more functions), compute the payable tax (1 or more functions). Your defined function should be written in one single external javascript. If you want to use a css, put them also in a separate file.
- 4) Grading criteria:
 - 10 pts. Correctness of the program – your program will be tested using the test data
 - 3 pts. Readability of codes (e.g. proper indention, presence of comments for function headings, modularity of codes)
 - 2 pts. Interface design