**Employee Payment and Tax Calculation for ‘X’ Industries Ltd.**

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**Serial No. : 01-031-16**

**Batch : 31**

**Letter of Transmittal**

October 8, 2024

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Subject: Submission a report on “**Employee Payment and Tax Calculation for 'X Industries Ltd”**

Dear Sir,

We are hereby submitting our report on “Evaluation of Central Pharmaceuticals Working Capital Management” as a work of our BBA program. We have given our utmost effort in making the report as informative as possible.

We are very grateful since your proper guidance helped us through to make the report as precise as possible. We hope we have been successful in following your instructions and we will also be available for any arisen clarifications or queries. Your support in this regard will be highly appreciated.

Sincerely Yours,

Md. Saniat Rahaman Seam

Serial No: 01-031-08

Batch: 31

Department of Finance & Banking

**Acknowledgement**

First of all, we would like to express our gratitude to almighty Allah for enabling us to complete this report on “**Employee Payment and Tax Calculation for 'X Industries Ltd”**. Successfully completion of any type of report requires help from a number of persons. We have also taken help from different people for the preparation of the report. Now there is a little effort to show our deep gratitude to that helpful person. We convey our sincere gratitude to our course instructor **Md Mahbub E Noor**, Assistant Professor of department of CSE, University of Barisal. Without her kind direction and proper guidance this study would have been a little success. In every phase of the report, her supervision and guidance shaped this report to be completed perfectly.

**Bona Fide Certificate**

This is certified that this report titled “**Employee Payment and Tax Calculation for 'X Industries Ltd”** is the bona fide work of group: **“**who carried out the report under my supervision. Certified further, that to the best of my knowledge the work shown herein does not part of any other report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Signature

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**Executive Summary**

This report presents the process and results of calculating employee payments and tax deductions for "X Industries Ltd." based on employee hourly rates and working hours. The purpose of this analysis is to automate the payroll process, ensuring accurate calculations and categorization of employees based on their tax contributions.

The data for six employees was used to calculate the total payment for each, applying a 12% tax on their earnings. Based on the tax amount, employees were categorized into four distinct tax statuses:

**CIP** (Corporate Important Person) for tax contributions of $100 or more,

**VIP** for contributions between $90 and $99.99,

**Moderate** for contributions between $80 and $89.99,

**General** for contributions below $80.

# 1.Introduction

This project aims to calculate employee payments and corresponding tax deductions for the employees of "X Industries Ltd." based on their hourly rate and total working hours. The calculation also determines their tax status, categorizing them into various levels (CIP, VIP, Moderate, and General) based on the tax amount. The use of Excel formulas ensures accurate and automated results, eliminating manual errors.

## 1.1 Objectives:

The primary objectives of this assignment were to:

1. Calculate the total payment for each employee based on their rate/hour and working hours.
2. Calculate the tax for each employee using a tax rate of 12%.
3. Classify employees into four tax categories (CIP, VIP, Moderate, General) based on their tax amount.
4. Present the tax results in a chart.
5. Apply conditional formatting to highlight employees with CIP and VIP tax statuses.
6. Identify employees with CIP status.

1.2 Data Input

The following table outlines the input data for the employees, which includes their hourly rate and the number of hours worked in a specific period:

| **Employee Name** | **Rate/hour** | **Working Hours** |
| --- | --- | --- |
| Hafsa | $15 | 40 |
| Mony | $20 | 45 |
| Habiba | $15 | 50 |
| Khalid | $14 | 36 |
| Mishu | $17 | 40 |
| Maarif | $16 | 35 |

**2. Step-by-Step Calculation Process**

2.1 Total Payment Calculation

* For each employee, the total payment is calculated using the formula:

Total Payment=Rate/hour×Working Hours\text{Total Payment} = \text{Rate/hour} \times \text{Working Hours}Total Payment=Rate/hour×Working Hours

**Example:** For Hafsa, the total payment is:

15 (Rate/hour)×40 (Working Hours)=600 USD15 \, \text{(Rate/hour)} \times 40 \, \text{(Working Hours)} = 600 \, \text{USD}15(Rate/hour)×40(Working Hours)=600USD

2.2 Tax Calculation (12%)

* A tax rate of 12% is applied to each employee’s total payment to calculate their tax liability. The formula used is:

Tax=Total Payment×12%\text{Tax} = \text{Total Payment} \times 12\%Tax=Total Payment×12%

**Example:** For Hafsa, the tax is:

600 USD×12%=72 USD600 \, \text{USD} \times 12\% = 72 \, \text{USD}600USD×12%=72USD

2.3 Tax Status Determination

* Based on the tax amount, employees are categorized into four statuses:
  + **CIP**: Tax ≥ $100
  + **VIP**: Tax ≥ $90
  + **Moderate**: Tax ≥ $80
  + **General**: Tax < $80

The formula used to determine the status:

IF(Tax≥100,"CIP",IF(Tax≥90,"VIP",IF(Tax≥80,"Moderate","General")))\text{IF}( \text{Tax} \geq 100, "CIP", \text{IF}( \text{Tax} \geq 90, "VIP", \text{IF}( \text{Tax} \geq 80, "Moderate", "General")))IF(Tax≥100,"CIP",IF(Tax≥90,"VIP",IF(Tax≥80,"Moderate","General")))

2.4 Chart Visualization

* A bar chart was created in Excel to visually represent the tax amounts for each employee, making it easy to compare individual contributions.

2.5 Conditional Formatting

* **CIP** status employees were highlighted in blue, while **VIP** status employees were highlighted in yellow using Excel's conditional formatting tool.

2.6 Identifying CIP Employees

* The formula used to filter out employees with the CIP status:

IF(Tax Status="CIP",Employee Name,"")\text{IF}(\text{Tax Status} = "CIP", \text{Employee Name}, "")IF(Tax Status="CIP",Employee Name,"")

This helped identify employees contributing the highest amount in taxes.

# **3. Summary of Results**

Below is a summary of the total payments, tax amounts, and tax status of each employee.

| **Employee Name** | **Total Payment (USD)** | **Tax (12%) (USD)** | **Tax Status** |
| --- | --- | --- | --- |
| Hafsa | 600 | 72 | General |
| Mony | 900 | 108 | CIP |
| Habiba | 750 | 90 | VIP |
| Khalid | 504 | 60.48 | General |
| Mishu | 680 | 81.6 | Moderate |
| Maarif | 560 | 67.2 | General |

# **4. Visual Representation**

The chart below shows the comparison of tax contributions for each employee. The blue and yellow highlights in the table indicate **CIP** and **VIP** statuses respectively.

# **5. Key Findings**

**5.1 Employee with CIP Status:** Mony

* + Mony’s tax amount is $108, making her the highest tax contributor and placing her in the **CIP** category.

**5.2 Employee with VIP Status**: Habiba

* + Habiba's tax amount of $90 places her in the **VIP** category.

## 5.3 Employee Tax Distribution:

* + The chart and table clearly display the distribution of tax contributions among the employees, with most employees falling into the **General** and **Moderate** categories.

# **Conclusion**

This project demonstrated how Excel formulas and tools like conditional formatting, filtering, and charting can be utilized to efficiently calculate and categorize employee payments and taxes. These automation techniques help streamline payroll processes, ensuring accuracy and minimizing manual intervention.

# References

1. **Microsoft Excel Documentation**: Used for implementing formulas, conditional formatting, and chart creation. Available at: <https://support.microsoft.com>
2. **Internal Payroll Guidelines for "X Industries Ltd."**: Provided the tax calculation structure and classification system for employee tax statuses.
3. **IRS Tax Guidelines**: Referenced for understanding tax deduction percentages. Available at: <https://www.irs.gov>