

**Quiz on Income Taxation  
Computations**

Mr. PDUTZ reported the following data during 2017:

<b>Sales</b>	<b>P1,000,000</b>
Cost of Sales	600,000
Gain on sale of equipment	60,000
Deductible expenses	300,000
Non-deductible expenses	200,000

- Optional standard deduction?
  - P440,000
  - P424,000
  - P400,000
  - P160,000
- Taxable income of Mr. PDUTZ before exemption applying OSD?
  - P700,000
  - P660,000
  - P340,000
  - P300,000
- Assuming that PDUTZ is a corporate taxpayer, compute the OSD.
  - P440,000
  - P424,000
  - P184,000
  - P160,000
- Assuming that PDUTZ is a corporate taxpayer, compute the taxable income applying OSD.
  - P240,000
  - P216,000
  - P300,000
  - P200,000

Sarah Dutz has the following items of income:

	<b>Philippines</b>	<b>Abroad</b>
Business Income	P200,000	P100,000
Professional Fees	100,000	50,000
Compensation Income	400,000	-
Rent Income	300,000	200,000
Interest Income	30,000	40,000

- Assuming Sarah is a resident citizen; compute the total income subject to Philippine Income tax.
  - P1,420,000
  - P1,180,000
  - P1,030,000
  - P390,000
- Assuming Sarah is a resident alien, compute the total income subject to Philippine income tax.
  - P1,420,000
  - P1,180,000
  - P1,030,000
  - P390,000
- Assuming Sarah is a resident foreign corporation; and all items are considered gross income, compute the TAX DUE applying OSD.
  - P185,400
  - P255,600
  - P1,000,000
  - P300,000
- Assuming Sarah is a domestic corporation, and all items are considered gross income, compute the TAX DUE applying OSD.
  - P185,400
  - P255,600
  - P1,030,000

d. P300,000

9. An alien received P300,000 compensation income in the Philippines and P200,000 rental income from abroad. How much will be subject to Philippine income tax?

- a. None
- b. P200,000
- c. P300,000
- d. P500,00

10. A non-resident citizen is an international financier who earned P300,000 interest income from resident debtors and P400,000 from foreign debtors. How much is subject to Philippine income tax?

- a. None
- b. P300,000
- c. P400,000
- d. P700,000

### Answer Key and Solutions

1. Optional standard deduction?
  - a. P440,000
  - b. P424,000
  - c. P400,000 (1M\*0.4)**
  - d. P160,000
2. Taxable income of Mr. PDUTZ before exemption applying OSD?
  - a. P700,000
  - b. P660,000 (1M-400K+60K)**
  - c. P340,000
  - d. P300,000
3. If PDUTZ is a corporate taxpayer, compute the OSD.
  - a. P440,000
  - b. P424,000
  - c. P184,000
  - d. P160,000 ((1M-600K) \*0.4)**
4. If PDUTZ is a corporate taxpayer, compute the taxable income applying OSD.
  - a. P240,000
  - b. P216,000
  - c. P300,000 (1M-600K-160K+60K)**
  - d. P200,000
5. . Assuming Sarah is a resident citizen; compute the total income subject to Philippine Income tax.
  - a. P1,420,000**  
**(200K+100K+100K+50K+400K+300K+30K+40K+200K)**
  - b. P1,180,000
  - c. P1,030,000
  - d. P390,000
6. . Assuming Sarah is a resident alien, compute the total income subject to Philippine income tax.
  - a. P1,420,000
  - b. P1,180,000
  - c. P1,030,000 (1.42M-100K-50K-200K-40K)**
  - d. P390,000
7. Assuming Sarah is a resident foreign corporation; and all items are considered gross income, compute the TAX DUE applying OSD.
  - a. P185,400 (1.03M\*0.6\*0.3)**
  - b. P255,600

- c. P1,000,000
  - d. P300,000
8. Assuming Sarah is a domestic corporation, and all items are considered gross income, compute the TAX DUE applying OSD.
- a. P185,400
  - b. P255,600 (1.42M\*0.6\*0.3)**
  - c. P1,030,000
  - d. P300,000
9. An alien received P300,000 compensation income in the Philippines and P200,000 rental income from abroad. How much will be subject to Philippine income tax?
- a. None
  - b. P200,000
  - c. P300,000**
  - d. P500,00
10. A non-resident citizen is an international financier who earned P300,000 interest income from resident debtors and P400,000 from foreign debtors. How much is subject to Philippine income tax?
- a. None
  - b. P300,000**
  - c. P400,000
  - d. P700,000