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## EVALUATE AND COMPUTE TAXES PAYABLE

You will compute taxes payable for individuals or organisations in line with current tax legislation. This can apply to all forms of tax including (where relevant) company taxes, income taxes, payroll taxes and sales taxes.

### **TO PERFORM EFFECTIVELY YOU NEED TO:**

- be aware of potential tax liabilities and their implications in the light of existing information
- collect the necessary data to make accurate estimates and calculations of tax payable
- ensure that calculations and returns conform to current legal requirements
- keep up to date with changing legal requirements.

Achievement of this performance objective requires consistent performance over a period of time.

### **EXAMPLES OF RELEVANT ACTIVITIES INCLUDE:**

- preparing computations of revenue taxes for individuals
- preparing computations of capital taxes
- preparing computations of taxes for incorporated businesses
- reporting to the tax authorities on payroll taxes
- reporting to the relevant authorities on sales taxes
- communicating with the tax authorities on issues arising from the submission of tax correspondence.

These examples illustrate how you might demonstrate this performance objective. They are not obligatory – you may prefer to think of other ways that show how you perform effectively in this area.

### **KEY KNOWLEDGE AND UNDERSTANDING: TAXATION**

- Compute direct and indirect tax liabilities of individuals, individual companies, and groups of companies
- Calculate capital taxes for individuals, individual companies, and groups of companies on the accretion of and transfer of assets.

### **LINKED EXAM PAPERS**

Paper F6, Taxation

Paper P6, Advanced Taxation.