

Press Release
Inland Revenue (Amendment) Bill 2017 gazetted
Friday, March 3, 2017

The Inland Revenue (Amendment) Bill 2017 was gazetted today (March 3).

The Bill seeks to amend the Inland Revenue Ordinance (Cap. 112) to implement the concessionary revenue measures proposed in the 2017-18 Budget. These include the following adjustments to salaries tax and tax under personal assessment, with effect from the year of assessment 2017-18:

(a) Widening the marginal tax bands from \$40,000 to \$45,000. This measure will benefit 1.3 million taxpayers and reduce tax revenue by \$1.5 billion a year;

(b) Increasing the disabled dependant allowance from \$66,000 to \$75,000. This measure will benefit 35 000 taxpayers and reduce tax revenue by \$50 million a year;

(c) Increasing the dependent brother/sister allowance from \$33,000 to \$37,500. This measure will benefit 23 800 taxpayers and reduce tax revenue by \$13 million a year;

(d) Extending the entitlement period for home loan interest deduction from 15 years to 20 years, while maintaining the current deduction ceiling of \$100,000 a year. This measure will reduce tax revenue by \$430 million a year; and

(e) Increasing the deduction ceiling for self-education expenses from \$80,000 to \$100,000. This measure will benefit 3 500 taxpayers and reduce tax revenue by \$8 million a year.

The above adjustments will together reduce tax revenue by \$2 billion each year.

The 2017-18 Budget also proposes a one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2016-17 by 75 per cent, subject to a ceiling of \$20,000 per case. The reduction will be reflected in taxpayers' final tax payable for the year of assessment 2016-17.

The proposed one-off reduction will benefit 1.84 million taxpayers of salaries tax and tax under personal assessment, and 132 000 tax-paying corporations and unincorporated businesses. The revenue forgone for 2017-18 amounts to \$18.3 billion.

The Bill will be introduced into the Legislative Council on March 22.

Ends