

Press release

LCQ8: Salaries tax and profits tax

Wednesday, November 23, 2011

Following is a question by the Hon Chan Kin-por and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (November 23):

Question:

Will the Government inform this Council of:

- (a) the average percentage of the amount of salaries tax paid by the taxpayers (excluding those who paid at the standard rate) in their income in the past three years of assessment, as well as the highest and lowest amounts of salaries tax paid by them;
- (b) the data on salaries tax for the year of assessment 2010-2011 (Please see Annex 1); and
- (c) the data on profits tax for the year of assessment 2010-2011 (Please see Annex 1)?

Reply:

President,

- (a) The number of salaries tax payers who were assessed according to progressive tax rates in the three years of assessment from 2007-08 to 2009-10, and the average of their final salaries tax as a percentage of their income are at Annex 2.

According to the information of the Inland Revenue Department (IRD), the lowest amount of final salaries tax of the taxpayers, who were assessed according to progressive tax rates, is \$1. Since IRD adopts both the standard rate and the progressive tax rates in assessing salaries tax, it does not have statistical data on the highest amount of final salaries tax of the taxpayers who were assessed according to progressive tax rates.

(b) Since the tax assessments for the year of assessment 2010-11 have yet to complete, IRD could only provide at this stage salaries tax data for the year of assessment 2009-10. The relevant data are at Annex 2.

(c) Since the tax assessments for the year of assessment 2010-11 have yet to complete, IRD could only provide at this stage the profits tax data for the year of assessment 2009-10. The relevant data are at Annex 2.

Ends