

Press release

Inland Revenue (Amendment) (No 2) Bill 2009 gazetted

Friday, June 12, 2009

The Inland Revenue (Amendment) (No 2) Bill 2009, which is aimed at smoothing the operation of the Board of Review and improving the administration of the IRO, is gazetted today (June 12).

"The bill introduced some technical amendments to the IRO and consequential amendments to the Tax Reserve Certificates Ordinance (TRCO). A number of minor textual amendments to the IRO have also been proposed for achieving consistency or removing spent provisions," a government spokesman said.

To smooth the operation of the board, it is empowered to correct clerical mistakes in its written decisions on tax appeals. To reflect the independence of the board, members of its hearing panels are to be nominated by the chairman of the board, rather than the Chief Secretary for Administration. Furthermore, a retired member of the board will be allowed to handle a case that he has handled before in certain circumstances. If an appeal is heard by both the chairman and a deputy chairman of the board, it is stated clearly in the amended IRO that only the presiding officer (either the chairman or deputy chairman) has the casting vote.

The bill also proposes other technical amendments to improve the administration of the IRO. Firstly, for profits tax, interest payment on capital expenditure incurred in purchasing machinery for research and development, prescribed fixed assets or environmental protection machinery will be allowed to be explicitly deductible under profits tax.

For salaries tax and tax under personal assessment, Inland Revenue Department (IRD) is empowered to make additional assessments on salaries tax and tax under personal assessment, within two years after the revocation of the home loan interest deduction claims if the revocation is made after the six-year statutory period.

For property tax, the IRD is empowered to make a property tax assessment on a person who receives rent on any common parts of any land or building.

The bill also states that the period within which prosecution of IRD's staff breaching secrecy provisions may be made is to be extended from six months to six years. The bill also enables IRD to refund to a taxpayer the balance remaining in his Tax Reserve Certificates account without requiring the taxpayer to return the tax reserve certificate.

"All the suggested amendments are technical and operational in nature and should not have any impact on the general public," the spokesman said.

The bill will be introduced into the Legislative Council on June 24.

Ends