

Press release

Inland Revenue (Amendment) Bill 2010 gazetted

Friday, April 30, 2010

The Inland Revenue (Amendment) Bill 2010 was gazetted today (April 30). The Bill amends the Inland Revenue Ordinance (Cap 112) to implement the following two concessionary revenue measures announced in the 2010-11 Budget -

- (a) reduce salaries tax and tax under personal assessment for 2009-10 by 75%, subject to a ceiling of \$6,000 per case; and
- (b) accelerate profits tax deduction for capital expenditure on environment-friendly vehicles.

"The Financial Secretary proposed the one-off reduction on salaries tax and tax under personal assessment to alleviate taxpayers' financial burden at an early stage of economic recovery. The reduction will be reflected in the taxpayer's final tax payable for 2009-10," a Government spokesman said.

It is estimated that the proposal on reduction on salaries tax and tax under personal assessment will cost the Government about \$4,510 million in 2010-11.

To encourage the business sector to purchase environment-friendly vehicles, the 2010-11 Budget proposes a 100% profits tax deduction for capital expenditure on environment-friendly vehicles in the year of purchase. Details of the proposal can be found in the Annex.

The Bill will be introduced into the Legislative Council on May 12.

Ends