

Press release

Inland Revenue (Amendment) Bill 2012 gazetted

Friday, April 27, 2012

The Inland Revenue (Amendment) Bill 2012 was gazetted today (April 27). The Bill aims to amend the Inland Revenue Ordinance in order to implement the concessionary revenue measures proposed in the 2012-13 Budget, which include an across-the-board increase in the existing personal allowances under salaries tax, an increase in the deduction ceilings for elderly residential care expenses as well as for mandatory contributions to recognised retirement schemes, an extension of the entitlement years for home loan interest deduction, and a one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2011/12 by 75 per cent, subject to a ceiling of \$12,000 per case.

"Subject to the passing of the legislation by the Legislative Council, the proposals of increasing across the board the existing personal allowances under salaries tax, increasing the deduction ceilings for elderly residential care expenses and for mandatory contributions to recognised retirement schemes, and extending the entitlement years for home loan interest deduction will all take effect for the year of assessment 2012/13 onwards. The proposals will help ease the tax burden of all taxpayers of salaries tax and tax under personal assessment (about 1.5 million in total) amidst the economic slowdown," a government spokesman said.

To help ease the pressure arising from the gloomy economic outlook and the highly uncertain external environment on our community and business sector, the Financial Secretary has proposed the above one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2011/12. The reduction will be reflected in the taxpayer's final tax payable for the year of assessment 2011/12.

About 1.5 million taxpayers will benefit from the proposed one-off reduction of salaries tax and tax under personal assessment. The proposed one-off reduction in profits tax will benefit all taxpayers who are liable to profits tax, who number almost 120 000.

The Bill will be introduced into the Legislative Council on May 9.

Ends