

Press release
Inland Revenue (Amendment) (No. 2) Bill 2013 gazetted

Friday, April 26, 2013

The Inland Revenue (Amendment) (No. 2) Bill 2013 was gazetted today (April 26). The Bill aims to amend the Inland Revenue Ordinance (Cap. 112) in order to implement the concessionary revenue measures proposed in the 2013-14 Budget. These include an increase in both the basic and additional child allowances under salaries tax and tax under personal assessment, an enhancement in the deduction ceiling for expenses of self-education under salaries tax, and a one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2012/13 of 75 per cent, subject to a ceiling of \$10,000 per case.

"Subject to the passing of the legislation by the Legislative Council, the proposals of increasing the basic and additional child allowances as well as enhancing the deduction ceiling for expenses of self-education will all take effect for the year of assessment 2013/14 onwards. About 310 000 taxpayers would benefit from the proposals," a government spokesman said.

To help ease the community's burden amidst an uncertain external economic outlook and the risk of rising inflation, the Financial Secretary has introduced a basket of counter-cyclical stimulus measures which include, amongst others, the above proposed one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2012/13. The reduction will be reflected in the taxpayer's final tax payable for the year of assessment 2012/13.

About 1.53 million taxpayers will benefit from the proposed one-off reduction of salaries tax and tax under personal assessment. The proposed one-off reduction of profits tax will benefit about 119 000 tax-paying companies.

The Bill will be introduced into the Legislative Council on May 8.

Ends