

Press release

Government welcomes passage of Inland Revenue (Amendment) (No. 2) Bill 2013

Wednesday, June 26, 2013

The Secretary for Financial Services and the Treasury, Professor K C Chan, was pleased to see the passage of the Inland Revenue (Amendment) (No. 2) Bill 2013 by the Legislative Council today (June 26).

The Bill seeks 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 by 75 per cent, subject to a ceiling of \$10,000 per case.

Professor Chan said, "We are pleased to see that the Bill was passed by the Legislative Council today, which allows the Inland Revenue Department to effect the one-off tax reduction in this year's tax bills, and to apply the new child allowances and deduction ceiling for expenses of self-education, if applicable, in calculating the provisional tax for the year of assessment 2013-14. The one-off tax reduction will be reflected in the taxpayer's final tax payable for the year of assessment 2012-13. Application is not required for the one-off tax reduction."

About 1.53 million taxpayers will benefit from the one-off reduction of salaries tax and tax under personal assessment. The one-off reduction of profits tax will benefit about 119 000 tax-paying companies. About 310 000 taxpayers will benefit from the measures of increasing the basic and additional child allowances as well as enhancing the deduction ceiling for expenses of self-education.

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