

Press Release
Government welcomes passage of
Inland Revenue (Amendment) (No. 2) Bill 2016
Thursday, May 19, 2016

The Secretary for Financial Services and the Treasury, Professor K C Chan, welcomed the passage of the Inland Revenue (Amendment) (No. 2) Bill 2016 by the Legislative Council today (May 19).

The new Ordinance gives effect to two major concessionary revenue measures proposed in the 2016-17 Budget. These include one-off measures to reduce salaries tax, tax under personal assessment and profits tax for the year of assessment 2015-16 by 75 per cent, subject to a ceiling of \$20,000 per case. The other measure involves adjustments to two categories of allowances under salaries tax and tax under personal assessment, as set out below:

	Allowance/ ceiling after enhancement (\$)
First category	
Basic allowance	132,000
Married person's allowance	264,000
Single parent allowance	132,000
Second category	
Allowance for maintaining a dependent parent or grandparent aged 60 or above	46,000*
Allowance for maintaining a dependent parent or grandparent aged between 55 and 59	23,000*
Deduction ceiling for elderly residential care expenses	92,000

* Same amount after adjustment for the additional allowance for taxpayers residing with these parents or grandparents continuously throughout the year.

Professor Chan said, "We are pleased to see the passage of the Bill by the Legislative Council today, so that the Inland Revenue Department (IRD) can give effect to the one-off tax reduction in this year's tax bills."

The one-off tax reduction will be reflected in taxpayers' final tax payable for the year of assessment 2015-16. Application is not required for the one-off tax reduction. Moreover, the IRD will apply the enhanced allowances and deduction ceiling, if applicable, when calculating the provisional tax for the year of assessment 2016-17.

Ends