

Press Release

Government welcomes passage of Inland Revenue (Amendment) Bill 2017

Thursday, May 25, 2017

The Secretary for Financial Services and the Treasury, Professor K C Chan, welcomed the passage of the Inland Revenue (Amendment) Bill 2017 by the Legislative Council today (May 25).

The new Ordinance gives effect to the concessionary revenue measures proposed in the 2017-18 Budget. These include one-off measures to reduce salaries tax, tax under personal assessment and profits tax for the year of assessment 2016/17 by 75 per cent, subject to a ceiling of \$20,000 per case. The new Ordinance also gives effect to the five enhanced tax measures relating to salaries tax and tax under personal assessment, starting from the year of assessment 2017/18. Details include:

Salaries Tax and Tax

under Personal Assessment

Enhanced Level

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Marginal tax bands	\$45,000
Disabled dependant allowance	\$75,000
Dependent brother/sister allowance	\$37,500
Entitlement period for home loan interest deduction	20 years
Deduction ceiling for self-education expenses	\$100,000

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 implement the one-off tax reduction in this year's tax bills."

The one-off tax reduction will be reflected in the taxpayers' final tax payable for the year of assessment 2016/17. Application is not required for the one-off tax reduction. Moreover, the IRD will apply the enhanced tax measures when calculating the provisional tax for the year of assessment 2017/18.

Ends