

Community service order for taxpayer convicted of false claims for additional dependent parent allowance

A taxpayer was convicted on May 14 at West Kowloon Magistrates' Courts on four charges of evading salaries tax. He was sentenced today (June 4) to 180 hours' community service.

The defendant, aged 42, pleaded guilty to three counts of wilfully, with intent, evading tax by making false statements in connection with claims for additional dependent parent allowance for the years of assessment 2011-12, 2012-13 and 2014-15, contrary to section 82(1)(c) of the Inland Revenue Ordinance (Cap. 112) (IRO). He also pleaded guilty to one count of wilfully, with intent, evading tax by giving a false answer in writing to a request for information in respect of the residence of his mother made in accordance with the provisions of the IRO, contrary to section 82(1)(e) of the IRO.

The court heard that the defendant made false statements in his tax returns for the years of assessment 2011-12, 2012-13 and 2014-15. He falsely declared that during each of the three years, his mother resided with him continuously for each full year. In addition, the defendant submitted a false answer in writing to the Inland Revenue Department (IRD), stating that his mother had resided with him at the same property from January 2012 onwards.

An investigation by the IRD revealed that the defendant had not resided with his mother continuously for any of the years of assessment 2011-12, 2012-13 and 2014-15. The total of the defendant's false claims of additional dependent parent allowance for the three years was \$114,000 and the total tax involved was \$13,607.

A spokesman for the IRD reminded taxpayers that tax evasion is a criminal offence under the IRO. Upon conviction, the maximum penalty for each charge is three years' imprisonment and a fine of \$50,000 plus a further fine of three times the amount of tax evaded.