

Gazettal of Inland Revenue (Amendment) (Tax Deductions for Assisted Reproductive Service Expenses) Bill 2024

The Government published in the Gazette today (November 29) the Inland Revenue (Amendment) (Tax Deductions for Assisted Reproductive Service Expenses) Bill 2024 (the Bill) to amend the Inland Revenue Ordinance (Cap. 112).

The Bill will stipulate provisions for a tax deduction for assisted reproductive (AR) service expenses under salaries tax and personal assessment starting from the year of assessment 2024/25. The tax deduction is one of the measures announced in the 2023 Policy Address to promote fertility by relieving the financial burden incurred by the expenditure on AR services to encourage couples facing difficulties in conceiving to seek medical assistance, with a view to tackling the current situation of low birth rate in Hong Kong.

Only taxpayers receiving AR services for medical reasons may benefit from the tax deduction. They include (i) infertile couples or persons under specified circumstances, and (ii) cancer patients or any other patients who may be rendered infertile as a result of chemotherapy, radiotherapy, surgery, or other medical treatment. To avoid incentivising the delay of childbearing plans, expenses on gamete freezing services for other reasons will not be eligible for the tax deduction.

The Bill will set out the scope of qualifying AR services for the tax deduction, namely services of providing reproductive technology (RT) procedures, as well as services of the handling, storing and disposing of gametes or embryo used or intended to be used in connection with an RT procedure, pursuant to an artificial insemination by husband licence, a treatment licence, or a storage licence issued by the Council on Human Reproductive Technology (CHRT). The CHRT updates and publishes the list of licensed centres regularly on its website (www.chrt.org.hk) for public reference.

The Bill will also stipulate that the relevant expenses paid by a taxpayer, by the taxpayer's spouse (who is not living apart from the person), or by both of them for the qualifying AR services are allowable deductions for the taxpayer. The maximum amount of deduction allowable for a year of assessment is \$100,000. As for married persons, the maximum amount of deduction allowable to the both of them is \$100,000.

The Bill will be introduced into the Legislative Council (LegCo) for scrutiny on December 11.

If the Bill is passed by the LegCo, the Government will issue a standard form of proof for qualifying AR service expenses (the Proof). The Proof should be signed by the registered medical practitioner who holds clinical responsibility of the relevant RT procedure (e.g. an accredited specialist or the person responsible of the licensed centre), certifying the date and amount of qualifying expenses paid for the qualifying AR services received to assist taxpayer's claim of the tax deduction. Where circumstances warranted, the Inland Revenue Department may request the taxpayer to provide the Proof in support of the deduction claimed. If members of the public have paid for AR service expenses on or after April 1 this year and intend to claim tax deductions for such expenses upon implementation of the proposed tax deduction, they should keep relevant documents including receipts as proof to obtain the Proof retrospectively from the licensed centre which provided the relevant services.