Government welcomes passage of amendment bill to implement concessionary tax measures

The Secretary for Financial Services and the Treasury, Mr James Lau, welcomed the passage of the Inland Revenue (Amendment) Bill 2018 by the Legislative Council today (May 16).

The new Ordinance gives effect to the concessionary tax measures proposed in the 2018-19 Budget. These include one-off measures to reduce salaries tax, tax under personal assessment and profits tax for the year of assessment 2017/18 by 75 per cent, subject to a ceiling of $30,000 per case. The new Ordinance also gives effect to the concessionary tax measures relating to salaries tax and tax under personal assessment, starting from the year of assessment 2018/19. Details are as follows:

Salaries Tax and Tax under Personal Assessment	(Adjusted) Level
Tax bands (increased from 4 to 5) Marginal tax rates	$50,000 2%/6%/10%/14%/ 17%
Child allowance	$120,000
Dependent Parent/Grandparent Allowance Parent/Grandparent aged 60 or above Parent/Grandparent aged between 55 and 59	 $50,000 $25,000
Deduction ceiling for elderly residential care expenses	$100,000
Personal disability allowance (New)	$75,000

Mr Lau said, "We believe the concessionary tax measures can relieve the tax burden of taxpayers, allowing them to share the fruits of our economic success. With the passage of the Bill by the Legislative Council today, the Inland Revenue Department (IRD) will implement 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 2017/18. Application is not required for the one-off tax reduction. Moreover, the IRD will apply the concessionary tax measures when calculating the provisional tax for the year of assessment 2018/19.