

# Government welcomes passage of amendment bill to implement three concessionary tax measures

The Secretary for Financial Services and the Treasury, Mr James Lau, welcomed the passage of the Inland Revenue (Amendment) (No. 5) Bill 2018 by the Legislative Council today (November 14).

The new Ordinance gives effect to three concessionary tax measures proposed in the 2018-19 Budget. These include, from the year of assessment 2018/19, allowing husband and wife the option of electing for personal assessment (PA) separately; allowing enterprises to claim tax deduction for capital expenditure incurred for procuring environmental protection installations in full in one year instead of over five years; and extending the scope of tax exemption for debt instruments under the Qualifying Debt Instrument (QDI) Scheme.

Mr Lau said, "We believe that allowing husband and wife the option of electing for PA separately could provide taxpayers who are married with greater flexibility in tax assessment. The shortening of the deduction period for capital expenditure incurred for procuring environmental protection installations could encourage enterprises to procure and use such installations. Extending the scope of tax exemption for debt instruments under the QDI Scheme would further promote the development of the local bond market."

The Inland Revenue Department (IRD) will update its website and Departmental Interpretation and Practice Notes to provide more information about tax assessment for married couples under PA. The relevant part of the tax return will also be updated to reflect the change. The IRD will also continue to publish the list of QDIs on its website for public inspection.