

Inland Revenue (Amendment) (No. 4) Bill 2018 gazetted

The Government published the Inland Revenue (Amendment) (No. 4) Bill 2018 in the Gazette today (May 18). The bill seeks to provide a tax deduction under salaries tax and personal assessment to people who purchase eligible health insurance products for themselves or their specified relatives under the Voluntary Health Insurance Scheme (VHIS).

A spokesman for the Food and Health Bureau said, "The VHIS tax deduction scheme is flexible and user-friendly. A taxpayer can claim deductions for VHIS premiums paid up to \$8,000 per insured person for insurance policies procured for the benefit of the taxpayer and all specified relatives (irrespective of number).

"If a taxpayer has procured more than one VHIS policy, the taxpayer may still claim deduction for the various premia paid, subject only to the \$8,000 cap for each insured person.

"There is also no cap on the number of taxpayers who can make a claim for tax deduction for the same insured person."

Specified relatives cover the taxpayer's spouse and children, and the taxpayer's or his/her spouse's grandparents, parents and siblings.

To ensure that the tax incentive is provided for people who have a nexus to Hong Kong, an insured person or the parent of an insured person who is under 11 years old and does not hold a Hong Kong Identity Card should be a Hong Kong Identity Card holder.

The bill will be introduced into the Legislative Council for scrutiny on May 23.