

Inland Revenue Department issues tax returns for individuals

The Inland Revenue Department (IRD) today (May 2) sent out about 2.44 million tax returns for individuals for the year of assessment 2023/24. The department reminded taxpayers to file their tax returns on time. The filing deadline for general cases is one month (by June 3) while for sole proprietors of unincorporated businesses, a three-month period is allowed (by August 2). Those filing via eTAX will be automatically granted a one-month extension (i.e. the deadline for general cases is July 3 and for sole proprietors is September 2).

The Commissioner of Inland Revenue, Mr Tam Tai-pang, today hosted a press conference on the completion of tax returns for individuals for the year of assessment 2023/24 and the tax collection of 2023-24, and also introduced new features of e-filing of profits tax returns.

Mr Tam referred to two tax measures proposed in the 2024-25 Budget, that is, the reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000 per case, and implementing a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024/25.

In addition, the 2023 Policy Address announced that the deduction ceiling amounts for home loan interest and domestic rents will be raised for taxpayers who reside with their newborn children. Starting from the year of assessment 2024/25, the deduction ceiling for home loan interest or domestic rents will be raised from \$100,000 to \$120,000 for eligible taxpayers of salaries tax and tax under personal assessment who are residing with children born on or after October 25, 2023.

The bill for implementing the above three tax measures is being scrutinised by the Legislative Council. Taxpayers only need to complete the tax returns for the year of assessment 2023/24 as usual. With the passage of the relevant legislation, the proposed tax reduction will be reflected in their assessments. In calculating the provisional salaries tax for the year of assessment 2024/25, the department will determine the amounts of home loan interest and domestic rents to be allowed based on the information provided by eligible taxpayers, and apply the two-tiered standard rates as appropriate.

Mr Tam also briefly introduced another tax measure proposed in the 2023 Policy Address. Starting from the year of assessment 2024/25, a deduction for expenses on assisted reproductive services will be provided under salaries tax and tax under personal assessment, subject to a ceiling of \$100,000 per year. The Government will start the legislative process to give effect to the proposal.

The IRD encouraged taxpayers to file their tax returns through eTAX, which offers an easy, secure and environmentally friendly online service for filing tax returns and ensures tax returns are filed in a timely manner to the department. "iAM Smart+" users may also sign and submit electronic tax returns online with the digital signing function.

The department also reminded taxpayers to pay sufficient postage if they choose to send the returns by post.

Taxpayers may visit the department's website (www.ird.gov.hk/eng/tax/esem_ctr.htm) to read information under "e-Seminars" if they have questions on completing their tax returns. They may also file questions in the "Q&A Corner". From today to June 3, except on Sundays and public holidays, the department will deploy additional staff to answer the telephone enquiries hotline 187 8022 and extend the service hours up to 7pm on weekdays, and from 9am to 1pm on Saturdays.

Last year, the department launched a new model of e-filing of profits tax returns to allow corporations and businesses to e-file the returns under eTAX together with supporting documents, including financial statements and profits tax computation. The department pointed out that the enhanced version of e-filing of profits tax returns under eTAX was launched in April 2024 to strengthen and update its functionality. Details of e-filing of profits tax returns can be found on the department's website (www.ird.gov.hk/eng/tax/bus_epf.htm and www.ird.gov.hk/eng/tax/bus_ixbrl.htm).

In addition, Mr Tam alerted taxpayers to fraudulent emails purportedly issued by the department. He said that the department will only inform taxpayers to log in to their eTAX Accounts to enquire tax positions with a designated email address (e_alert@ird.gov.hk), and will not include hyperlinks in emails requesting taxpayers to provide their personal, bank account or credit card information. Taxpayers should stay alert and not open any suspicious emails.

On revenue collection, Mr Tam said that \$342 billion of tax revenue was collected by the department during the financial year 2023-24 (please see Annex 1 for details), a decrease of \$18.2 billion compared with the previous year's figure. A breakdown is as follows:

2023-24 revenue collection by the department (provisional figures)

Tax Type	2023-24 Revenue (Provisional Figures) (\$million)	2022-23 Revenue (Actual Figures) (\$million)	Change
Profits Tax	170,498	174,213	-2%

Salaries Tax	79,870	79,490	+0.5%
Property Tax & Personal Assessment	11,228	10,562	+6%
	— -	— -	
Total Earnings & Profits Tax	261,596	264,265	-1%
Estate Duty	10	9	+11%
Stamp Duty	49,112	69,976	-30%
Betting Duty	28,467	25,824	+10%
Business Registration Fees	2,816	129	+2,083%
	— -	— -	
Total Revenue Collected	342,001	360,203	-5%