

Taxpayer jailed for false claims for dependent parent allowances

A taxpayer was convicted today (July 7) at the West Kowloon Magistrates' Courts on nine charges of evading salaries tax. She was sentenced to immediate imprisonment of one month and two weeks.

The defendant, aged 52, pleaded guilty to nine counts of evading tax, wilfully with intent, by signing the tax returns for the years of assessment 2007-08 to 2015-16, without reasonable grounds for believing the information in connection with the claims for dependent parent allowance (DPA) and additional dependent parent allowance (ADPA) in the said tax returns to be true, contrary to section 82(1)(d) of the Inland Revenue Ordinance (Cap. 112) (IRO).

The court heard that the defendant made false claims of ADPA in respect of her father and false claims of DPA/ADPA in respect of her mother. The defendant declared in the tax returns for the years of assessment 2007-08 to 2012-13 that her father resided with her continuously for the full year during each of the six years. The defendant also declared in the tax returns for the years of assessment 2010-11 to 2015-16 that her mother was ordinarily resident in Hong Kong and she contributed not less than \$12,000 in money towards the maintenance of her mother during each year. In addition, the defendant declared in four of those tax returns that her mother resided with her continuously for the full year.

An investigation by the Inland Revenue Department (IRD) revealed that during the relevant years, the defendant's father resided at a home for the aged under the Government's Bought Place Scheme and did not reside with the defendant. The defendant's mother left Hong Kong in May 2009 and passed away in Canada in September that year. The total amount of the defendant's false claims of DPA and ADPA for the nine years was \$560,000 and the total amount of tax involved was \$83,330.

A spokesman for the IRD reminded taxpayers that tax evasion is a criminal offence under the IRO. Upon conviction, the maximum penalty for each charge is three years' imprisonment and a fine of \$50,000 plus a further fine of three times the amount of tax evaded.