

TAX RATES, PERSONAL ALLOWANCES AND TAX DEDUCTION AT A GLANCE

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[¶300] Tax rates and personal allowances at a glance

The tables below incorporate the changes announced in the 2020/21 Budget, which have been passed by the Legislative Council and were gazetted as Revenue (Tax Concessions) Ordinance 2021 on 7 May 2021.

[¶310] Standard tax rate

Property tax and provisional property tax are charged at the standard rate set out in Sch 1 of the *Inland Revenue Ordinance* (Cap 112) (see ¶5-8500 and ¶9-8400).

Individuals and unincorporated businesses are also charged to profits tax and provisional profits tax at the standard tax rate (see ¶6-9100 and ¶9-8400).

Year of assessment	Standard tax rate
2008/09 to 2021/22	15%

Starting from 2018/19, a Two-Tiered Profits Tax Rates Regime has been implemented to reduce the profits tax burden of taxpayers in Hong Kong (see ¶6-9100). For the first \$2,000,000 of assessable profits, the tax rate will be reduced by one-half, ie 7.5%.

[¶320] Graduated progressive tax rates

Salaries tax, provisional salaries tax and tax under personal assessment are charged at the graduated rates specified in Sch 2 of the Ordinance as set out below (see ¶2-7700 and ¶9-8400). The tax charged must not exceed the amount that would be charged if the standard tax rate (above) was applied to the taxpayer's total income less applicable deductions: see further ¶2-7700.

Net chargeable income	Salaries tax rates
2018/19 to 2021/22	
Upon the first \$50,000	2%
Upon the next \$50,000	6%
Upon the next \$50,000	10%
Upon the next \$50,000	14%
Upon the remainder	17%
2017/18	
Upon the first \$45,000	2%
Upon the next \$45,000	7%
Upon the next \$45,000	12%
Upon the remainder	17%
2008/09 to 2016/17	
Upon the first \$40,000	2%
Upon the next \$40,000	7%
Upon the next \$40,000	12%
Upon the remainder	17%

[¶330] Corporate profits tax rate

Corporations are charged to profits tax and provisional profits tax at the rates set down in Sch 8, as set out below (see ¶6-9100). Individuals and unincorporated businesses are charged to profits tax and provisional profits tax at the standard tax rate set down in the Sch 1 (see above).

Year of assessment	Corporate tax rate
2008/09 to 2021/22	16.5%

Starting from 2018/19, a Two-Tiered Profits Tax Rates Regime has been implemented to reduce the profits tax burden of taxpayers in Hong Kong (see ¶6-9100). For the first \$2,000,000 of assessable profits, the tax rate will be reduced by one-half, ie 8.25%.

[¶340] Basic and married persons' allowances**Basic allowance**

Year of assessment	Allowance
2016/17 to 2021/22	\$132,000
2012/13 to 2015/16	\$120,000
2008/09 to 2011/12	\$108,000

Married person's allowance

Year of assessment	Married allowance
2016/17 to 2021/22	\$264,000
2012/13 to 2015/16	\$240,000
2008/09 to 2011/12	\$216,000

[¶350] Child allowance**Child allowance (for each child, up to ninth child)**

Year of assessment	Allowance
2018/19 to 2021/22	\$120,000
2015/16 to 2017/18	\$100,000
2013/14 to 2014/15	\$70,000
2012/13	\$63,000
2011/12	\$60,000
2008/09 to 2010/11	\$50,000

Additional child allowance (available in the year of birth only)

Year of assessment	Allowance
2018/19 to 2021/22	One-off \$120,000 for each child
2015/16 to 2017/18	One-off \$100,000 for each child
2013/14 to 2014/15	One-off \$70,000 for each child
2012/13	One-off \$63,000 for each child
2011/12	One-off \$60,000 for each child
2008/09 to 2010/11	One-off \$50,000 for each child

[¶360]**Single parent allowance**

Year of assessment	Allowance
2016/17 to 2021/22	\$132,000
2012/13 to 2015/16	\$120,000
2008/09 to 2011/12	\$108,000

[¶370]**Dependent parent and dependent grandparent allowances (aged 60 and above*)****Dependent parent allowance (per parent)**

Year of assessment	Allowance	Additional allowance
2018/19 to 2021/22	\$50,000	\$50,000
2016/17 to 2017/18	\$46,000	\$46,000
2014/15 to 2015/16	\$40,000	\$40,000
2012/13 to 2013/14	\$38,000	\$38,000
2011/12	\$36,000	\$36,000
2008/09 to 2010/11	\$30,000	\$30,000

Dependent grandparent allowance (per grandparent)

Year of assessment	Allowance	Additional allowance
2018/19 to 2021/22	\$50,000	\$50,000
2016/17 to 2017/18	\$46,000	\$46,000
2014/15 to 2015/16	\$40,000	\$40,000
2012/13 to 2013/14	\$38,000	\$38,000
2011/12	\$36,000	\$36,000
2008/09 to 2010/11	\$30,000	\$30,000

* or is eligible to claim an allowance under the Government's Disability Allowance Scheme

[¶380] Dependent parent and dependent grandparent allowances (aged 55 to 59)**Dependent parent allowance (per parent)**

Year of assessment	Allowance	Additional allowance
2018/19 to 2021/22	\$25,000	\$25,000
2016/17 to 2017/18	\$23,000	\$23,000
2014/15 to 2015/16	\$20,000	\$20,000
2012/13 to 2013/14	\$19,000	\$19,000
2011/12	\$18,000	\$18,000
2008/09 to 2010/11	\$15,000	\$15,000

Dependent grandparent allowance (per grandparent)

Year of assessment	Allowance	Additional allowance
2018/19 to 2021/22	\$25,000	\$25,000
2016/17 to 2017/18	\$23,000	\$23,000
2014/15 to 2015/16	\$20,000	\$20,000
2012/13 to 2013/14	\$19,000	\$19,000
2011/12	\$18,000	\$18,000
2008/09 to 2010/11	\$15,000	\$15,000

[¶385] Dependent brother or dependent sister allowance

Year of assessment	Allowance
2017/18 to 2021/22	\$37,500
2012/13 to 2016/17	\$33,000
2008/09 to 2011/12	\$30,000

[¶390] Personal Disability Allowance

Year of assessment	Allowance
2018/19 to 2021/22	\$75,000

[¶395] Disable dependant allowance

Year of assessment	Allowance
2017/18 to 2021/22	\$75,000
2012/13 to 2016/17	\$66,000
2008/09 to 2011/12	\$60,000

[1400] Summary table of personal allowances

Year of assessment	2014/15	2015/16	2016/17	2017/18	2018/19 to 2021/22
Basic	\$120,000	\$120,000	\$132,000	\$132,000	\$132,000
Married person's	\$240,000	\$240,000	\$264,000	\$264,000	\$264,000
Single parent	\$120,000	\$120,000	\$132,000	\$132,000	\$132,000
Child (up to 9 children)	\$70,000	\$100,000	\$100,000	\$100,000	\$120,000
Additional in year of birth	\$70,000	\$100,000	\$100,000	\$100,000	\$120,000
Dependent (grand) parent	\$40,000	\$40,000	\$46,000	\$46,000	\$50,000
– aged 55-59	\$20,000	\$20,000	\$23,000	\$23,000	\$25,000
Additional dependent (grand) parent	\$40,000	\$40,000	\$46,000	\$46,000	\$50,000
– aged 55-59	\$20,000	\$20,000	\$23,000	\$23,000	\$25,000
Dependent brother/sister	\$33,000	\$33,000	\$33,000	\$37,500	\$37,500
Personal disability allowance	-	-	-	-	\$75,000
Disabled dependant	\$66,000	\$66,000	\$66,000	\$75,000	\$75,000

[1410] Summary table of other deductions (maximum limits)

Year of assessment	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 to 2021/22
Self-education expenses	\$80,000	\$80,000	\$80,000	\$100,000	\$100,000	\$100,000
Elderly residential care expenses	\$80,000	\$80,000	\$92,000	\$92,000	\$100,000	\$100,000
Home loan interest	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Contributions to recognised retirement schemes	\$17,500	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Annuity premiums and Tax-deductible MPF voluntary contributions	-	-	-	-	-	\$60,000
Voluntary Health Insurance Scheme premiums	-	-	-	-	-	\$8,000
Charitable donation	35%	35%	35%	35%	35%	35%

[1450] Tax reduction

Year of assessment	2014/15	2015/16	2016/17	2017/18	2018/19 and 2019/20	2020/21
Salaries tax, profits tax and personal assessment						
% reduction	75%	75%	75%	75%	100%	100%
Maximum per case	\$20,000	\$20,000	\$20,000	\$30,000	\$20,000	\$10,000

TIME LIMITS FOR NOTICES, ELECTIONS, OBJECTIONS AND APPEALS

[¶500] Notification of changed circumstances

Circumstance	Time limit for notifying Commissioner
Chargeability to tax (¶9-1000).	Within four months after the end of the basis period of relevant assessment year.
Cessation of trade, profession or business (¶9-1100).	Within one month of cessation.
Cessation of ownership of land or buildings (¶9-1100).	Within one month of cessation.
Departure of taxpayer from Hong Kong for more than one month, other than on business (¶9-1100).	Not later than one month before departure.
Change of address (¶9-1100).	Within one month of change.
Employer commencing to employ person (¶9-3100).	Within three months of commencement.
Employer ceasing to employ person (¶9-3200).	No later than one month before cessation.

[¶510] Election of assessment method

Election	Time limit
Election for joint assessment to salaries tax (¶2-7100).	Must be made within the relevant assessment year or within the following year, or within one month of the assessment for the relevant year becoming final and conclusive, whichever is the later; or such further period allowed by the Commissioner
Election for personal assessment (¶4-2700).	Must be made no later than two years after the relevant year of assessment, or within one month after an assessment forming part of the taxpayer's income becomes final, whichever is later; or such further period allowed by the Commissioner.
Election by insurance corporation to be assessed on adjusted surplus basis (¶6-7460).	Must be made no later than two years after the end of the period for which an actuarial report was made.

[¶520]**Objections and appeals**

Action	Time limit
Objection against assessment (¶11-0600).	Notice must be lodged within one month after the date of the notice of assessment, unless there is reasonable cause.
Appeal to Board of Review (¶11-3250).	Appeal must be lodged within one month after the issue of the Commissioner's determination, unless there is reasonable cause.
Transfer of appeal from Board of Review to Court of First Instance (¶11-5000).	Notice must be given to the other party, and to the Board, within 21 days after the notice of appeal is lodged with the Board. The Board may allow further time upon an application in writing.
Appeal to Court of First Instance (¶11-5250).	Application must be made within one month of the Board's decision or within one month of the date on which the appellant is notified of the decision.
Seeking correction of error or omission under sec 70A (¶11-7250).	Application must be made within six years of relevant assessment year, or within six months of the date on which notice of assessment was served, whichever is later.
Seeking holdover of provisional profits tax, provisional salaries tax or provisional property tax (¶9-8900).	Application must be lodged no later than 28 days before the provisional tax is to be paid or 14 days after the date of the notice for payment of provisional tax, whichever is later. The Commissioner may extend the time limit under specified circumstances.

PENALTY LEVELS**[¶600]****Level of fines for offences**

Penalty levels for the purposes of the *Inland Revenue Ordinance* (Cap 112) and the *Stamp Duty Ordinance* (Cap 117) are as follows.

Fine	Amount
Level 1	\$2,000
Level 2	\$5,000
Level 3	\$10,000
Level 4	\$25,000
Level 5	\$50,000
Level 6	\$100,000

These penalty levels are prescribed in Sch 8 of the *Criminal Procedure Ordinance* (Cap 221).