



Lee & Yu Certified Public Accountants

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客戶通訊 Newsletter

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Passage of Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Bill 2024

Passage of the Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Bill 2024 by the Legislative Council May 22, 2024. The Bill gives effect to the Government's proposals announced in the 2024-25 Budget and the 2023 Policy Address, which include:

1. implementing a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024/25. In calculating the amount of salaries tax or tax under personal assessment at standard rates, the first \$5 million of net income will continue to be subject to the standard rate of 15 per cent while the portion exceeding \$5 million will be subject to the standard rate of 16 per cent;
2. reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2023/24 by 100 per cent, subject to a ceiling of \$3,000 per case; and
3. allowing an additional deduction ceiling amount of \$20,000 for home loan interest or domestic rents, on top of the basic deduction ceiling (\$100,000), for a taxpayer if specified conditions (including the taxpayer should reside with his/her newborn child in Hong Kong for a continuous period of not less than six months, or a shorter period that the Commissioner of Inland Revenue considers reasonable in the circumstances) are met starting from the year of assessment 2024/25. Each taxpayer may be allowed an additional deduction ceiling amount for a maximum of 19 years of assessment.

The Bill as passed will be gazetted on May 31, 2024. The one-off tax concessions will be reflected in taxpayers' final tax payable for the year of assessment 2023/24. Moreover, in calculating the provisional salaries tax for the year of assessment 2024/25, the Inland Revenue 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.

這份客戶通訊是為客戶提供感興趣之資料，並不能視為專業意見，如客戶需要更多資料或有任何疑問，請與本所聯絡。

This Newsletter is designed to provide information on subjects which may be of interest to our clients. It is not intended as professional advice. If you need more information or have a specific question, please contact us.