

Tax Analysis

Hong Kong Tax

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2014/15 Budget Highlights

The Financial Secretary for the Hong Kong Special Administrative Region, Mr John Tsang Chun-wah, delivered the 2014/15 Hong Kong Budget (the Budget) on 26 February 2014.

This article highlights the Budget's major proposed changes.

- Tax Rebates
 - A 75% profits tax rebate, capped at HK\$10,000 for the year of assessment 2013/14 final tax payable
 - A 75% salaries tax and tax under personal assessment rebate, capped at HK\$10,000 for the year of assessment 2013/14 final tax payable
- An increase of approximately 5% to the following allowances and deductions (see table below):
 - Dependent parent and grandparent allowances;
 - Deduction ceiling for elderly residential care expenses.
- Extending the exemption of First Registration Tax on electric vehicles to 31 March 2017;
- Increase the duty on cigarettes by 20 cents per stick;
- Waive the stamp duty for the trading of all exchange traded funds;
- Others
 - Waive the rates for the first two quarters of 2014/15, subject to a cap of HK\$1,500 per quarter for each rateable property;
 - Paying one month base rent for public housing tenants and two-thirds of rent for one month for the non-elderly tenants of the Hong Kong Housing Society's Group B estates;
 - Providing an extra allowance to Comprehensive Social Security Assistance (CSSA) recipients, equal to one month of the standard rate CSSA payments, and an extra allowance to Old Age Allowance, Old Age Living Allowance and Disability Allowance recipients, equal to one month of the allowances;
 - Increasing the annual voucher value under the Elderly Health Care Voucher Scheme to HK\$2,000 per person;
 - Issue of iBond of up to HK\$10 billion with a maturity of three years, with interest payable to bond holders once every six months at a rate linked to the inflation rates of the last half-year period;
 - Review the requirements under the Inland Revenue Ordinance for interest deductions in the taxation of corporate treasury activities, and clarify the criteria for such deductions.

Appendix – Summary of Allowances, Deductions & Tax Rates

Salaries Tax

Progressive Tax Rates (remain unchanged)

2013/14 and 2014/15	
Net chargeable income (HK\$)	Marginal tax rate
First 40,000	2%
Next 40,000	7%
Next 40,000	12%
Remainder	17%

Standard Rate (remain unchanged)

2013/14 and 2014/15
15%

Allowances and Deductions

	2013/14 (HK\$)	2014/15 ¹ (HK\$)
Personal Allowances:		
Basic	120,000	120,000
Married	240,000	240,000
Single Parent	120,000	120,000
Child:		
1st to 9th child		
Year of birth	140,000	140,000
Other years	70,000	70,000
Dependent Parent/Grandparent (aged 60 or above):		
Basic	38,000	40,000
Additional allowance (for each dependant living with taxpayer)	38,000	40,000
Dependent Parent/Grandparent (aged between 55-59):		
Basic	19,000	20,000
Additional allowance (for each dependant living with taxpayer)	19,000	20,000
Dependent Brother/Sister	33,000	33,000
Disabled Dependant	66,000	66,000
Deductions (maximum amount):		
Self-education Expenses	80,000	80,000
Home Loan Interest	100,000 (15 years of assessment)	100,000 (15 years of assessment)
Elderly Residential Care Expenses	76,000	80,000
Contributions to Recognized Retirement Schemes	15,000	17,500
Approved Charitable Donations	35% of income	35% of income

One-off Measure on Salaries Tax and Tax under Personal Assessment

Reduction of 75% of final tax payable under Salaries Tax and Tax under Personal Assessment for 2013/14, subject to a ceiling of HK\$10,000, is proposed.¹

¹ Legislative amendments are required.

Profits Tax (remain unchanged)

	2013/14 and 2014/15
	Tax rate
Incorporated	16.5%
Unincorporated	15%

One-off Measure on Profits Tax²

Reduction of 75% of final tax payable under Profits Tax for 2013/14, subject to a ceiling of HK\$10,000 is proposed.

Property Tax (remain unchanged)

2013/14 and 2014/15
Tax rate
15%

Rates²

The Budget would waive rates for first two quarters of 2014/15, subject to a ceiling of HK\$1,500 per quarter for each rateable tenement.

² Legislative amendments are required.

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2014/15 财政预算案摘要

香港特别行政区财政司司长曾俊华先生于2014年2月26日发表2014/15年度财政预算案 (预算案)。

本文概述财政预算案的主要建议。

- 税务宽减
 - 宽减 75% 的 2013/14 年度的利得税，上限为 10,000 港元
 - 宽减 75% 的 2013/14 年度的薪俸税及个人入息课税，上限为 10,000 港元
- 提高下列免税额和扣减项目的最高限额，增幅约5% (详见后附的表格)
 - 供养父母或祖父母免税额
 - 长者住宿照顾开支的扣除上限
- 延长电动车的首次登记税豁免期至二零一七年三月三十一日；
- 将每支烟的烟草税税款调高两角；
- 全面宽免交易所买卖基金 (即ETF) 交易的印花税；
- 其他
 - 宽免 2014/15 年度第一季度和第二季度的差饷，以每户每季 1,500 港元为上限；
 - 为公屋租户代缴一个月租金，并为居住在香港房屋协会乙类单位的非长者用户缴交一个月租金的三分之二；
 - 向领取综合社会保障援助(综援)、高龄津贴、长者生活津贴和伤残津贴的人士发放额外津贴，金额相当于一个月的综援标准金额、高龄津贴、长者生活津贴或伤残津贴；
 - 将长者医疗券计划金额增加至每人每年二千港元；
 - 发行一次不多于一百亿港元的 iBond，年期为三年，并每半年派发一次跟最近六个月通胀挂钩的利息
 - 检讨《税务条例》对于企业融资活动中的利息支出在税前扣除方面的原则和条件。

附录 – 免税额、扣除及税率概要

薪俸税

累进税率 (未有变化)

2013/14 及 2014/15	
应课税入息(港元)	边际税率
最初的 40,000	2%
其次的 40,000	7%
其次的 40,000	12%
余额	17%

标准税率 (未有变化)

2013/14 及 2014/15
15%

免税额及扣除项目

	2013/14 (港元)	2014/15 ¹ (港元)
个人免税额：		
基本	120,000	120,000
已婚人士	240,000	240,000
单亲	120,000	120,000
子女：		
第一至第九名子女		
出生年度	140,000	140,000
其他年度	70,000	70,000
供养父母/祖父母或外祖父母 (年龄在六十岁或以上)：		
基本	38,000	40,000
额外免税额 (与纳税人同住的受供养家属)	38,000	40,000
供养父母/祖父母或外祖父母 (年龄界乎五十五至五十九岁)：		
基本	19,000	20,000
额外免税额 (与纳税人同住的受供养家属)	19,000	20,000
供养兄弟/姊妹	33,000	33,000
伤残受养人	66,000	66,000
扣除项目 (最高金额)：		
个人进修开支	80,000	80,000
居所贷款利息	100,000	100,000
	(可扣税年度为 15 年)	(可扣税年度为 15 年)
长者住宿照顾开支	76,000	80,000
向认可退休计划支付的供款	15,000	17,500
向认可慈善机构的捐款	收入的 35%	收入的 35%

一次性的薪俸税宽减措施¹

宽减 2013/14 年度百分之七十五的薪俸税及个人入息课税，上限为 10,000 港元。

¹ 須經立法修訂

利得税 (未有变化)

	2013/14 及 2014/15
	税率
法团业务	16.5%
非法团业务	15.0%

一次性的利得税宽减措施²

宽减 2013/14 年度百分之七十五的利得税，上限为 10,000 港元。

物业税 (未有变化)

2013/14 及 2014/15
税率
15%

差饷²

宽免 2014/15 年度第一季度和第二季度的差饷，以每户每季 1,500 港元为上限。

² 須經立法修訂

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