



## Hong Kong Tax Newsflash: Passage of Tax Reduction Measure

The Inland Revenue (Amendment) (Tax Concessions) Bill 2019 was passed by the Legislative Council yesterday. This gives effect to a one-off tax reduction for profits tax, salaries tax and tax under personal assessment for the year of assessment 2018/19 by 100%, subject to a ceiling of HK\$20,000 for each case.

The original Bill regarding 2019-2020 budget measures to reduce salaries tax, tax under personal assessment and profits tax by 75% was first introduced into the Legislative Council in March 2019. In August 2019, the Financial Secretary proposed to increase the tax reduction from 75% to 100%, while retaining the ceiling of HK\$20,000 as an enhanced measure to support enterprises and individuals. Please refer to our previous [Tax Newsflash \(Issue 99\)](#) published on 19 August 2019 for details.

The one-off tax reduction will be reflected in the taxpayers' final tax payable for the year of assessment 2018/19. Taxpayers who will file or have filed tax returns for 2018/19 will notice the aforesaid tax reduction in the assessments to be issued by the Inland Revenue Department.

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