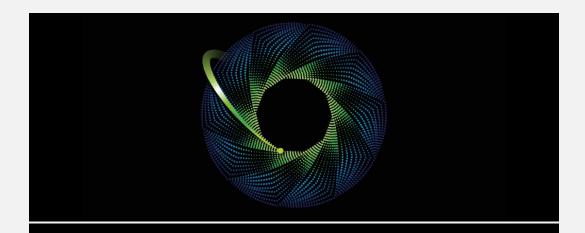
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## Hong Kong Tax Newsflash

Passage of tax measures proposed in the 2023 Policy Address and the 2024-25 Budget

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The Legislative Council passed the Bill<sup>1</sup> yesterday, which aims to enact the following tax measures proposed in the 2023 Policy Address and the 2024-25 Budget:

- A one-off tax reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2023/24 by 100%, subject to a ceiling of HKD3,000 for each case.
- The implementation of a two-tiered standard rates regime for salaries tax and tax under personal assessment<sup>2</sup> effective from the year of assessment 2024/25, with a rate of 15% on the first HKD5 million of net income and 16% on the remainder.
- An increase in deduction ceilings for home loan interest and domestic rents<sup>3</sup> from HKD100,000 to HKD120,000 for eligible taxpayers starting from the year of assessment 2024/25.

<sup>&</sup>lt;sup>1</sup> Inland Revenue (Amendment) (Tax Concessions and Two-tiered Standard Rates) Bill 2024

<sup>&</sup>lt;sup>2</sup> For details, please refer to our GES Tax Newsflash dated 29 February 2024.

<sup>&</sup>lt;sup>3</sup> For details, please refer to our <u>GES Tax Newsflash Issue dated 30 October 2023</u>.

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