



## Hong Kong Tax Newsflash

# Passage of tax measures proposed in the 2025 Policy Address and the 2026-27 Budget

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The Legislative Council passed the Bill<sup>1</sup> today, which aims to enact the following tax measures proposed in the 2025 Policy Address<sup>2</sup> and the 2026-27 Budget<sup>3</sup>:

- A one-off tax reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2025/26 by 100%, subject to a ceiling of HKD3,000 for each case. The one-off tax reduction will be reflected in the taxpayers' final tax payable for the year of assessment 2025/26.
- An increase in allowances and deductions under salaries tax and tax under personal assessment starting from the year of assessment 2026/27:

	Existing (HKD)	2026/27 and onwards (HKD)
Basic allowance	132,000	145,000
Single parent allowance	132,000	145,000
Married person's allowance	264,000	290,000
Child allowance	130,000	140,000
Additional child allowance (for each child born during the year of assessment)	130,000	140,000
Dependent parent / grandparent allowance		
- Aged 60 or above	50,000	55,000
- Aged 55 to 59	25,000	27,500
Additional dependent parent / grandparent allowance (for taxpayers residing with parents or grandparents)		
- Aged 60 or above	50,000	55,000
- Aged 55 to 59	25,000	27,500
Elderly residential care expenses	100,000	110,000

- An extension of claim period for additional child allowance for newborns from one year to two years starting from the year of assessment 2026/27, applicable to children born on or after 1 April 2025.

<sup>1</sup> [Inland Revenue \(Amendment\) \(Tax Concessions, Concessionary Deductions and Allowances\) Bill 2026](#)

<sup>2</sup> For details, please refer to our [Hong Kong Tax Newsflash Issue 250](#).

<sup>3</sup> For details, please refer to our [Hong Kong Tax Analysis Issue H122/2026](#).

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