

Legislative Amendments

The following Ordinances enacted during the year were concerned with matters administered by the Department.

Revenue Ordinance 2006 (No. 13 of 2006)

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the 2006-07 Budget:

1. to extend the entitlement period for home loan interest deduction from 7 years to 10 years with effect from the year of assessment 2005-06; and
2. from the year of assessment 2006-07, lower the marginal rates of the second, third and top tax bands by one percentage point from the existing levels of 8%, 14% and 20% to 7%, 13% and 19% respectively.



Betting Duty (Amendment) Ordinance 2006 (No. 17 of 2006)

This Ordinance amended the Betting Duty Ordinance to empower the Secretary for Home Affairs to authorize cash-sweeps and betting on horse races; to change the name of "Football Betting and Lotteries Commission" to "Betting and Lotteries Commission" and to extend the function of the Commission to matters relating to the conduct of betting on horse races; to charge, in relation to authorized betting on horse races, a duty on the net stake receipts derived from the conduct of such betting; to empower the Collector of Stamp Revenue to correct an assessment of betting duty charged in relation to authorized betting on horse races and football matches; and to provide for related matters.

Specification of Arrangements (Double Taxation) Order under section 49 of the Inland Revenue Ordinance

Country / Region	Date of Order	Nature
Mainland of China	17 October 2006	Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

Legal Notices to fix the rate of interest payable on Tax Reserve Certificates

Legal Notice No.	Periods in force	Annual rate of interest
237 of 2005	3 January 2006 to 3 December 2006	2.8500%
263 of 2006	4 December 2006 to 4 February 2007	2.6000%
19 of 2007	5 February 2007 to 4 March 2007	2.6167%
35 of 2007	On or after 5 March 2007	2.6000%