

# Legislative Amendments

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

## Revenue Ordinance 2008 (No. 21 of 2008)

This Ordinance amended the Inland Revenue Ordinance and the Hotel Accommodation Tax Ordinance to give effect to the following proposals in the Budget for the 2008-09 financial year:

1. Lowering the standard rate from 16% to 15%, and the corporate profits tax rate from 17.5% to 16.5%;
2. Increasing the basic allowance and single parent allowance from \$100,000 to \$108,000, and married person's allowance from \$200,000 to \$216,000;
3. Widening the tax band from \$35,000 to \$40,000;
4. Raising the deduction ceiling for approved charitable donations from 25% to 35% of assessable profits or income;
5. Allowing a 100% profits tax deduction for capital expenditure on environment-friendly machinery and equipment in the year of purchase, and shortening the depreciation period for environment-friendly installations mainly ancillary to buildings from the usual 25 years to 5 years;
6. One-off reduction of salaries tax, tax under personal assessment, profits tax and property tax for the year of assessment 2007-08 by 75%, subject to a ceiling of \$25,000 for each case; and
7. Waiving the hotel accommodation tax from 1 July 2008.



## Electronic Transactions Ordinance (G.N. 4593)

This notice specified that electronic records and digital signatures given or presented to Government through GovHK are acceptable for the following purposes:

1. Election for personal assessment;
2. Notification of change of address;
3. Application for holding over of payment of provisional tax;
4. Objection; and
5. Application for correction of assessments.

## Specification of Arrangements (Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income) (Second Protocol) Order

Country / Region	Date of Order	Nature
Mainland of China	15 April 2008	Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

## Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) Orders

Country / Region	Date of Order	Nature
Finland	10 June 2008	Double Taxation Relief on Income From Aircraft Operations
Mexico	10 June 2008	Double Taxation Relief on Income From Aircraft Operations

## Tax Reserve Certificates (Rate of Interest) Notices

Legal Notice No.	Periods in force	Annual rate of interest
46 of 2008	3 March 2008 to 6 April 2008	1.0500%
72 of 2008	7 April 2008 to 30 November 2008	0.4667%
250 of 2008	1 December 2008 to 4 January 2009	0.4500%
2 of 2009	5 January 2009 to 1 February 2009	0.3667%
19 of 2009	On or after 2 February 2009	0.2667%