

# Press Conference 3 May 2016

## The Gist of CIR's Speech

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I shall speak on 5 topics: matters relating to this year's individuals tax returns, tax treaty negotiations, exchange of tax information, automatic exchange of information ("EoI") and the revenue collections in 2015-16.

### **2015/16 Tax Returns for Individuals**

Today, the IRD is sending out 2.54 million individuals tax returns for the year of assessment 2015/16.

In the Budget for this year, the Financial Secretary has proposed to increase the basic allowance, married person's allowance, single parent allowance and dependent parent/grandparent allowance, and to raise the deduction ceiling for elderly residential care expenses. Besides, he has proposed a one-off reduction of 75% of the profits tax, salaries tax and tax under personal assessment for the year of assessment 2015/16, subject to a ceiling of \$20,000 per case.

The Government has started the legislative amendment exercise for these proposals. After enactment of the relevant legislation, the IRD will effect the tax reduction in the 2015/16 tax bills, and will automatically apply the new allowances / deduction ceiling, if applicable, in calculating the 2016/17 provisional tax. Taxpayers should complete their tax returns as usual. No application is required for the proposed tax measures.

A one-month period is allowed for filing individuals tax returns. The deadline is 3 June 2016. For sole proprietors of unincorporated businesses, a three-month period is allowed, i.e. the filing deadline is 3 August 2016. For on-line filing via eTAX, all taxpayers will get an automatic extension of 1 month.

Now, I will report the progress of some major work of the IRD.

### **Tax Treaty Negotiations**

The major purposes of entering into a Comprehensive Double Taxation Agreement (“CDTA”) are to avoid double taxation and prevent tax evasion. A CDTA promotes cross-border activities by providing tax incentives and helps investors to better assess their potential tax liabilities, hence facilitates the flow of investment, technology, talents and professional knowledge. The two contracting parties’ economy would, in result, benefit.

By now, Hong Kong has signed CDTAs with 35 jurisdictions, including the one signed with Latvia last month. Hong Kong will strive to further expand its network of CDTAs to conclude more tax agreements.

### **Exchange of Tax Information**

As indicated earlier, apart from avoiding double taxation, CDTA is an important tool to prevent tax evasion. This is achieved through exchange of tax information. So, all of Hong Kong’s CDTAs contain an exchange of information article. The IRD exchanges tax information with contracting parties under the CDTAs and Tax Information Exchange Agreements that it has concluded.

### **Latest International Development on EoI - Automatic EoI**

In September 2014, Hong Kong indicated its support for implementing the new standard on automatic exchange of financial account information in tax matters (“AEOI”). Hong Kong’s undertaking was that AEOI would be implemented on a reciprocal basis with appropriate partners which could meet relevant requirements on protection of privacy and confidentiality of information exchanged and ensuring proper use of the data exchanged, with a view to commencing

the first information exchange by the end of 2018. Up to present, over 90 jurisdictions have already publicly committed to the implementation of the global standard.

The Government launched a consultation exercise from April to June 2015 and made appropriate adjustments to the legislative proposals after consideration of the views collected. The Government introduced the Inland Revenue (Amendment) Bill 2016 in the Legislative Council on 20 January 2016. The relevant bill provides a legislative framework for the implementation of AEOI in Hong Kong. We hope to have an early passage of the bill so that the IRD and financial institutions can proceed with the necessary follow up actions soon.

### **IRD Revenue Collections**

I will next give an account of the revenue collections by the IRD in the year 2015-16, and the forecast collection for the coming year.

In the year 2015-16, the IRD collected \$291.3 billion which is \$10.6 billion below that of last year. Profits tax collection increased slightly by 2% to \$140.2 billion, while salaries tax collection reduced by 2% to \$57.9 billion. Stamp duty decreased by 16% to \$62.7 billion.

In the coming year, the forecast total revenue collection is \$276.8 billion.

I hope you will find the information sheets on revenue collections helpful.

Lastly, I wish to remind taxpayers to file the tax returns on or before the deadlines and to pay sufficient postage if they send the returns by post.

Thank you.

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表一 各項稅收  
**Table 1 Revenue Collected by Tax Type**

財政年度 Financial Year	2015-16	2014-15	變動	
	臨時數字 Provisional figures		Change	
	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	140,228	137,846.9	+ 2,381.1	+ 2%
薪俸稅 Salaries Tax	57,868	59,346.8	- 1,478.8	- 2%
物業稅 Property Tax	2,998	2,938.6	+ 59.4	+ 2%
個人入息課稅 Personal Assessment	4,790	4,817.2	- 27.2	- 1%
<b>入息及利得稅總額 Total Earnings &amp; Profits Tax</b>	<b>205,884</b>	<b>204,949.5</b>	<b>+ 934.5</b>	<b>+ 0.5%</b>
遺產稅 Estate Duty	30	178.2	- 148.2	- 83%
印花稅 Stamp Duty	62,681	74,844.9	- 12,163.9	- 16%
博彩稅 Betting Duty	20,127	19,479.3	+ 647.7	+ 3%
商業登記費 Business Registration Fees	2,607	2,480.6	+ 126.4	+ 5%
<b>稅收總額 Total Revenue Collected</b>	<b>291,329</b>	<b>301,932.5</b>	<b>- 10,603.5</b>	<b>- 4%</b>

表二 發出的稅單  
Table 2 Demand Notes Issued

財政年度 Financial Year	2015-16	2014-15	變動	
	臨時數字 Provisional figures		Change	
利得稅 Profits Tax	153,000	151,000	+ 2,000	+ 1%
薪俸稅 Salaries Tax	1,627,000	1,600,000	+ 27,000	+ 2%
物業稅 Property Tax	136,000	137,000	- 1,000	- 1%
個人入息課稅 Personal Assessment	223,000	211,000	+ 12,000	+ 6%
<b>總額 Total</b>	<b>2,139,000</b>	<b>2,099,000</b>	<b>+ 40,000</b>	<b>+ 2%</b>

表三 評定的稅款  
Table 3 Tax Assessed

財政年度 Financial Year	2015-16	2014-15	變動	
	臨時數字 Provisional figures		Change	
	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	139,000	132,170	+ 6,830	+ 5%
薪俸稅 Salaries Tax	60,580	62,020	- 1,440	- 2%
物業稅 Property Tax	3,330	3,220	+ 110	+ 3%
個人入息課稅 Personal Assessment	4,850	4,870	- 20	- 0.4%
<b>總額 Total</b>	<b>207,760</b>	<b>202,280</b>	<b>+ 5,480</b>	<b>+ 3%</b>

表四 本年度欠稅情況  
Table 4 Current Year Arrears Position

財政年度 Financial Year 截至 As at	2015-16 臨時數字 Provisional figures (31-3-2016)	2014-15 (31-3-2015)	變動 Change	
	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	2,015	1,435	+ 580	+ 40%
薪俸稅 Salaries Tax	1,571	1,561	+ 10	+ 1%
物業稅 Property Tax	217	179	+ 38	+ 21%
個人入息課稅 Personal Assessment	95	73	+ 22	+ 30%
<b>總額 Total</b>	<b>3,898</b>	<b>3,248</b>	<b>+ 650</b>	<b>+ 20%</b>

表五 本年度欠稅佔評定稅款比率  
Table 5 % of Current Year Arrears over Tax Assessed

財政年度 Financial Year	2015-16 臨時數字 Provisional figures		2014-15		比率變動 Change in % point
	比率 % point	評定的稅款 Tax Assessed	比率 % point	評定的稅款 Tax Assessed	
利得稅 Profits Tax	1.4%	百萬元 (\$m) 139,000	1.1%	百萬元 (\$m) 132,170	+ 0.3
薪俸稅 Salaries Tax	2.6%	60,580	2.5%	62,020	+ 0.1
物業稅 Property Tax	6.5%	3,330	5.6%	3,220	+ 0.9
個人入息課稅 Personal Assessment	2.0%	4,850	1.5%	4,870	+ 0.5
<b>總額 Total</b>	<b>1.9%</b>	<b>207,760</b>	<b>1.6%</b>	<b>202,280</b>	<b>+ 0.3</b>

表六 處理的緩繳暫繳稅申請個案  
Table 6 Provisional Tax Holdover Applications Processed

財政年度 Financial Year	利得稅 Profits Tax	薪俸稅 Salaries Tax	物業稅 Property Tax	總數 Total
2011-12	6,100	44,200	3,800	54,100
2012-13	5,800	37,700	3,400	46,900
2013-14	5,400	38,800	3,100	47,300
2014-15	4,700	40,100	3,000	47,800
<b>2015-16</b>	<b>4,600</b>	<b>39,300</b>	<b>2,800</b>	<b>46,700</b>
2015-16 年度變動 Change for 2015-16	- 100 - 2%	- 800 - 2%	- 200 - 7%	- 1,100 - 2%

表七 獲准分期繳稅個案  
Table 7 Approved Instalment Cases

財政年度 Financial Year	利得稅 Profits Tax	薪俸稅 Salaries Tax	物業稅 Property Tax	個人入息課稅 Personal Assessment	總數 Total
2011-12	1,290	5,330	100	480	7,200
2012-13	1,350	4,360	70	350	6,130
2013-14	1,100	4,610	70	360	6,140
2014-15	940	4,710	80	360	6,090
<b>2015-16</b>	<b>920</b>	<b>4,110</b>	<b>100</b>	<b>290</b>	<b>5,420</b>
2015-16 年度變動 Change for 2015-16	- 20 - 2%	- 600 - 13%	+ 20 + 25%	- 70 - 19%	- 670 - 11%



表八 薪俸稅納稅人應評稅入息整體增長

Table 8 Overall Growth in Assessable Income under Salaries Tax

課稅年度 Year of Assessment	2014/15 臨時數字 Provisional figures	2013/14
年薪 Annual income		
90 萬元以上 Above \$900,000	+ 4.5%	+ 5%
\$600,001 - \$900,000	+ 7%	+ 6%
\$300,001 - \$600,000	+ 6.5%	+ 6%
30 萬元或以下 \$300,000 & below	+ 8%	+ 7%
整體增長 Overall growth	+ 6%	+ 6%

表九 利得稅納稅人應評稅淨利潤整體增長

Table 9 Overall Growth in Net Assessable Profits under Profits Tax

課稅年度 Year of Assessment	2014/15 臨時數字 Provisional figures	2013/14
整體增長 Overall growth	+ 7%	+ 7%

表十 按年薪的薪俸稅納稅人分佈  
**Table 10 Distribution of Salaries Tax Payers by Annual Income**

課稅年度 Year of Assessment	最後評稅 Final Tax			
	2014/15 臨時數字 Provisional figures		2013/14	
年薪 Annual income	納稅人數目 No. of Taxpayers	百分比 %	納稅人數目 No. of Taxpayers	百分比 %
90 萬元以上 Above \$900,000	165,000	9.2%	150,000	8.8%
\$600,001 - \$900,000	175,000	9.8%	158,000	9.3%
\$400,001 - \$600,000	336,000	18.7%	307,000	18.0%
\$300,001 - \$400,000	301,000	16.8%	281,000	16.5%
\$200,001 - \$300,000	413,000	23.1%	403,000	23.7%
\$120,001 - \$200,000	401,000	22.4%	404,000	23.7%
總數 Total	1,791,000	100.0%	1,703,000	100.0%

表十一 按應評稅利潤的公司分佈  
**Table 11 Distribution of Corporations by Net Assessable Profits**

課稅年度 Year of Assessment	2014/15 臨時數字 Provisional figures		2013/14	
	公司數目 No. of companies	百分比 %	公司數目 No. of companies	百分比 %
5 千萬元以上 Above \$50 m	1,800	1.8%	1,700	1.7%
\$30,000,001 - \$50,000,000	1,000	1.0%	900	0.9%
\$20,000,001 - \$30,000,000	1,200	1.2%	1,200	1.2%
\$10,000,001 - \$20,000,000	2,900	2.9%	2,900	2.9%
\$7,500,001 - \$10,000,000	1,800	1.7%	1,600	1.6%
\$5,000,001 - \$7,500,000	2,900	2.9%	2,800	2.9%
\$3,000,001 - \$5,000,000	4,700	4.7%	4,700	4.8%
\$2,000,001 - \$3,000,000	4,800	4.7%	4,600	4.7%
\$1,000,001 - \$2,000,000	10,200	10.1%	10,100	10.3%
100 萬元或以下 \$1m & below	69,600	69.0%	68,000	69.0%
總數 Total	100,900	100.0%	98,500	100.0%

表十二 2016-17 預算與 2015-16 稅收比較  
Table 12 Comparison of Estimates for 2016-17 and Collections for 2015-16

財政年度 Financial Year	2016-17 預算 Approved Estimates	2015-16 稅收 Collections 臨時數字 Provisional figures	變動 Change	
			百萬元 (\$m)	百分比
利得稅 Profits Tax	138,080	140,228	- 2,148	- 2%
薪俸稅 Salaries Tax	60,540	57,868	+ 2,672	+ 5%
物業稅 Property Tax	3,000	2,998	+ 2	+ 0.1%
個人入息課稅 Personal Assessment	4,770	4,790	- 20	- 0.4%
<b>入息及利得稅總額 Total Earnings &amp; Profits Tax</b>	<b>206,390</b>	<b>205,884</b>	<b>+ 506</b>	<b>+ 0.2%</b>
遺產稅 Estate Duty	23	30	- 7	- 23%
印花稅 Stamp Duty	50,000	62,681	- 12,681	- 20%
博彩稅 Betting Duty	20,205	20,127	+ 78	+ 0.4%
商業登記費 Business Registration Fees	170	2,607	- 2,437	- 93%
<b>稅收總額 Total Revenue Collected</b>	<b>276,788</b>	<b>291,329</b>	<b>- 14,541</b>	<b>- 5%</b>

表十三 實地審核及調查的成績  
**Table 13 Results of Field Audit and Investigation**

財政年度 Financial Year	2015-16 臨時數字 Provisional figures	2014-15	2013-14	2012-13	2011-12
完成個案數目 No. of cases completed	1,804	1,803	1,802	1,802	1,804
所短報的入息及利潤 Understated earnings & profits (百萬元 / \$m)	13,889	12,858	12,936	16,348	34,083
平均每個個案所短報的款額 Average understatement per case (百萬元 / \$m)	8	7	7	9	19
評定的補繳稅款及罰款 Back tax and penalties assessed (百萬元 / \$m)	2,538	2,533	2,540	3,448	6,003
每個個案平均補繳稅款及罰款 Average back tax and penalties per case (百萬元 / \$m)	1.4	1.4	1.4	1.9	3.3

檢控數字

**Results of Prosecutions**

財政年度 Financial Year	2015-16	2014-15	2013-14	2012-13	2011-12
個案數目 No. of cases completed	3	7	2	1	-