

Allowances, Deductions and Tax Rate Table

Year of Assessment	2008/09			2012/13*		
	2005/06	2006/07	2007/08	2010/11	2011/12	onwards
	\$	\$	\$	\$	\$	\$
Basic Allowance	100,000	100,000	100,000	108,000	108,000	120,000
Married Person's Allowance	200,000	200,000	200,000	216,000	216,000	240,000
Child Allowance (For each dependant) the 1 st to 9 th child	40,000	40,000	50,000	50,000	60,000	63,000
For each child born during the year, the Child Allowance will be increased by	0	0	50,000	50,000	60,000	63,000
Dependent Brother / Sister Allowance (For each dependant)	30,000	30,000	30,000	30,000	30,000	33,000
Dependent Parent / Grandparent Allowance (For each dependant)						
Parent / grandparent aged 60 or above or is eligible to claim an allowance under the Government's Disability Allowance Scheme	30,000	30,000	30,000	30,000	36,000	38,000
Parent / grandparent aged 55 or above but below 60	15,000	15,000	15,000	15,000	18,000	19,000
Additional Dependent Parent / Grandparent Allowance						
Parent / grandparent aged 60 or above or is eligible to claim an allowance under the Government's Disability Allowance Scheme	30,000	30,000	30,000	30,000	36,000	38,000
Parent / grandparent aged 55 or above but below 60	15,000	15,000	15,000	15,000	18,000	19,000
Single Parent Allowance	100,000	100,000	100,000	108,000	108,000	120,000
Disabled Dependand Allowance (For each dependant)	60,000	60,000	60,000	60,000	60,000	66,000

Year of Assessment	2008/09			2012/13*		
	2005/06	2007/08	2010/11	2011/12	onwards	
	\$	\$	\$	\$	\$	
Expenses of Self-Education	40,000	60,000	60,000	60,000	60,000	
Elderly Residential Care Expenses	60,000	60,000	60,000	72,000	76,000	
Home Loan Interest	100,000	100,000	100,000	100,000	100,000	
Mandatory Contributions to Recognized Retirement Schemes	12,000	12,000	12,000	12,000	14,500 [†]	
([†] For 2013/14 and onwards, the maximum amount is \$15,000)						
Approved Charitable Donations						
[(Income – Allowable Expenses – Depreciation Allowances) x Percentage]	25%	25%	35%	35%	35%	

3. Table Showing Tax on Net Chargeable Income

Tax payable is calculated at progressive rates on your net chargeable income or at standard rate on your net income (before deduction of the allowances), whichever is lower.

Net Chargeable Income = Income – Deductions – Allowances

Year of Assessment	2005/06			2006/07 (See Note)			2007/08 (See Note)			2008/09 to 2011/12 (See Note)			2012/13 onwards		
	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax
	\$		\$	\$		\$	\$		\$	\$		\$	\$		\$
On the First	30,000	2%	600	30,000	2%	600	35,000	2%	700	40,000	2%	800	40,000	2%	800
On the Next	<u>30,000</u>	8%	<u>2,400</u>	<u>30,000</u>	7%	<u>2,100</u>	<u>35,000</u>	7%	<u>2,450</u>	<u>40,000</u>	7%	<u>2,800</u>	<u>40,000</u>	7%	<u>2,800</u>
	60,000		3,000	60,000		2,700	70,000		3,150	80,000		3,600	80,000		3,600
On the Next	<u>30,000</u>	14%	<u>4,200</u>	<u>30,000</u>	13%	<u>3,900</u>	<u>35,000</u>	12%	<u>4,200</u>	<u>40,000</u>	12%	<u>4,800</u>	<u>40,000</u>	12%	<u>4,800</u>
	90,000		7,200	90,000		6,600	105,000		7,350	120,000		8,400	120,000		8,400
Remainder		20%			19%			17%			17%			17%	
Standard Rates of Tax		16%			16%			16%			15%			15%	

Note:

For 2006/07, 50% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$15,000 per case.

For 2007/08, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$25,000 per case.

For 2008/09, 100% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$8,000 per case.

For 2009/10, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$6,000 per case.

For 2010/11, 75% of the final tax payable under salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$6,000 per case.

For 2011/12, a one-off reduction of 75% of the final tax payable under salaries tax and tax under personal assessment, subject to a ceiling of \$12,000 per case, was proposed in the 2012-13 Budget. Legislative amendments are required for implementing the proposed measures.

* Legislative amendments are required for implementing the tax measures as proposed by the Financial Secretary in the 2012-13 Budget.

Salaries Tax / Personal Assessment

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Inland Revenue Department
Hong Kong Special Administrative Region