

Allowances, Deductions and Tax Rate Table

1. Allowances

Year of Assessment	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18* onwards #
	\$	\$	\$	\$	\$	\$	\$
Basic Allowance	108,000	120,000	120,000	120,000	120,000	132,000	132,000
Married Person's Allowance	216,000	240,000	240,000	240,000	240,000	264,000	264,000
Child Allowance (For each dependant) the 1 st to 9 th child	60,000	63,000	70,000	70,000	100,000	100,000	100,000
For each child born during the year, the Child Allowance will be increased by	60,000	63,000	70,000	70,000	100,000	100,000	100,000
Dependent Brother or Sister Allowance (For each dependant)	30,000	33,000	33,000	33,000	33,000	33,000	37,500
Dependent Parent and Dependent 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	36,000	38,000	38,000	40,000	40,000	46,000	46,000
Parent / grandparent aged 55 or above but below 60	18,000	19,000	19,000	20,000	20,000	23,000	23,000
Additional Dependent Parent and Dependent Grandparent Allowance							
Parent / grandparent aged 60 or above or is eligible to claim an allowance under the Government's Disability Allowance Scheme	36,000	38,000	38,000	40,000	40,000	46,000	46,000
Parent / grandparent aged 55 or above but below 60	18,000	19,000	19,000	20,000	20,000	23,000	23,000
Single Parent Allowance	108,000	120,000	120,000	120,000	120,000	132,000	132,000
Disabled Dependand Allowance (For each dependant)	60,000	66,000	66,000	66,000	66,000	66,000	75,000

2. Deductions – Maximum Limits

Year of Assessment	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18* onwards #
	\$	\$	\$	\$	\$	\$	\$
Expenses of Self-Education	60,000	60,000	80,000	80,000	80,000	80,000	100,000
Elderly Residential Care Expenses	72,000	76,000	76,000	80,000	80,000	92,000	92,000
Home Loan Interest	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Mandatory Contributions to Recognized Retirement Schemes	12,000	14,500	15,000	17,500	18,000	18,000	18,000
Approved Charitable Donations							
[(Income – Allowable Expenses – Depreciation Allowances) x Percentage]	35%	35%	35%	35%	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. It is further reduced by the tax reduction, subject to a maximum.

Net Chargeable Income = Income – Deductions – Allowances

Year of Assessment	2011/12 to 2016/17			2017/18* onwards #		
	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax
	\$		\$	\$		\$
On the First	40,000	2%	800	45,000	2%	900
On the Next	<u>40,000</u>	7%	<u>2,800</u>	<u>45,000</u>	7%	<u>3,150</u>
	80,000		3,600	90,000		4,050
On the Next	<u>40,000</u>	12%	<u>4,800</u>	<u>45,000</u>	12%	<u>5,400</u>
	120,000		8,400	135,000		9,450
Remainder		17%			17%	
Standard Rates of Tax		15%			15%	

Tax Reduction

Year of Assessment	% of Tax Reduction	Maximum Per Case (\$)	Applicable Tax Types
2011/12	75%	12,000	salaries tax, profits tax and tax under personal assessment
2012/13 & 2013/14	75%	10,000	salaries tax, profits tax and tax under personal assessment
2014/15	75%	20,000	salaries tax, profits tax and tax under personal assessment
2015/16	75%	20,000	salaries tax, profits tax and tax under personal assessment
2016/17*	75%	20,000	salaries tax, profits tax and tax under personal assessment

* Legislative amendments are required for implementing the tax measures as proposed by the Financial Secretary in the 2017-18 Budget.

until superseded

Salaries Tax / Personal Assessment

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Inland Revenue Department
Hong Kong Special Administrative Region