

## Allowances, Deductions and Tax Rate Table

### 1. Allowances

Year of Assessment	2003/04	2004/05	2005/06 and 2006/07	2007/08	2008/09	2009/10** onwards
	\$	\$	\$	\$	\$	\$
Basic Allowance	104,000	100,000	100,000	100,000	108,000	108,000
Married Person's Allowance	208,000	200,000	200,000	200,000	216,000	216,000
Child Allowance (For each dependant) the 1 <sup>st</sup> to 9 <sup>th</sup> child	30,000	30,000	40,000	50,000	50,000	50,000
For each child born during the year, the Child Allowance will be increased by	0	0	0	50,000	50,000	50,000
Dependent Brother / Sister Allowance (For each dependant)	30,000	30,000	30,000	30,000	30,000	30,000
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	30,000	30,000
Parent / grandparent aged 55 or above but below 60	0	0	15,000	15,000	15,000	15,000
Additional 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	30,000	30,000
Parent / grandparent aged 55 or above but below 60	0	0	15,000	15,000	15,000	15,000
Single Parent Allowance	104,000	100,000	100,000	100,000	108,000	108,000
Disabled Dependant Allowance (For each dependant)	60,000	60,000	60,000	60,000	60,000	60,000

### 2. Deductions – Maximum Limits

Year of Assessment	2003/04 to 2006/07	2007/08	2008/09	2009/10** onwards
	\$	\$	\$	\$
Expenses of Self-Education	40,000	60,000	60,000	60,000
Elderly Residential Care Expenses	60,000	60,000	60,000	60,000
Home Loan Interest	100,000	100,000	100,000	100,000
Mandatory Contributions to Recognized Retirement Schemes	12,000	12,000	12,000	12,000
Approved Charitable Donations				
[(Income – Allowable Expenses – Depreciation Allowances) x Percentage]	25%	25%	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	2003/04			2004/05 and 2005/06			2006/07#			2007/08##			2008/09*			2009/10** 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	Net Chargeable Income	Rate	Tax
On the First	32,500	2%	650	30,000	2%	600	30,000	2%	600	35,000	2%	700	40,000	2%	800	40,000	2%	800
On the Next	32,500	7.5%	2,437.50	30,000	8%	2,400	30,000	7%	2,100	35,000	7%	2,450	40,000	7%	2,800	40,000	7%	2,800
	65,000		3,087.50	60,000		3,000	60,000		2,700	70,000		3,150	80,000		3,600	80,000		3,600
On the Next	32,500	13%	4,225	30,000	14%	4,200	30,000	13%	3,900	35,000	12%	4,200	40,000	12%	4,800	40,000	12%	4,800
	97,500		7,312.50	90,000		7,200	90,000		6,600	105,000		7,350	120,000		8,400	120,000		8,400
Reminder		18.5%			20%			19%			17%			17%			17%	
Standard Rates of Tax		15.5%			16%			16%			16%			15%			15%	

# 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, a one-off reduction of 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, was proposed in the 2010-11 Financial Budget. The proposal is subject to the passing of the relevant legislation.

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# Salaries Tax / Personal Assessment

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Inland Revenue Department  
Hong Kong Special Administrative Region