

INLAND REVENUE DEPARTMENT

Property Tax - Obligations of Property Owners

Property tax is charged on the owner by reference to the actual rent receivable (including lease premium) in the year of assessment. Owners in receipt of rental income must inform this Department in writing if they are liable to tax and supply the particulars of the property within 4 months after the end of the basis period for the year of assessment (e.g. on or before 31 July 2006 for the year of assessment 2005/2006), unless they have already received the Tax Return. Owners may use for this purpose the Notification Form for Letting of Property (Form I.R.6129) provided by the Department. This can be downloaded from our web site at <www.ird.gov.hk> under “Public Forms and Pamphlets” or obtained through the “Fax-A-Form” Service by calling 2598 6001.

A Return issued by the Department should be completed for official record updating purposes even if the property is solely and exclusively occupied by the owner or someone else without consideration. The owners should report the rental income in the appropriate returns and furnish them to the Department within the time limit stipulated.

<u>Type of return</u>	<u>Type of property ownership</u>
Tax Return – Individuals (B.I.R. 60)	- Properties solely owned by an individual
Property Tax Return (B.I.R. 57)	- Properties jointly owned or co-owned by individuals
Property Tax Return (B.I.R. 58)	- Properties owned by corporations and bodies of persons

Besides, owners chargeable to property tax must:

- Keep sufficient records, such as lease agreements and duplicates of rent receipts for at least 7 years.
- Inform this Department the change of address in writing within 1 month.
- Notify this Department of the change of ownership in writing within 1 month.

Where a corporation has been exempted from property tax and there is a change in the ownership or use of the property, or in any other circumstances which may affect such exemption, the corporation must notify this Department in writing within 30 days after the event.

Heavy penalties may be incurred for failure to comply with the requirements of the Inland Revenue Ordinance. Any owners requiring further information regarding their tax obligations or liabilities may visit our web site at www.ird.gov.hk or telephone 187 8088.

**Mrs LAU MAK Yee-ming, Alice
Commissioner of Inland Revenue**