

Press Conference 2 May 2019

The Gist of CIR's Speech

I shall speak on matters relating to this year's individuals tax returns, new or changed items for the year of assessment 2018/19 and revenue collections in 2018-19.

2018/19 Tax Returns for Individuals

Today, the IRD is sending out 2.68 million individuals tax returns for the year of assessment 2018/19.

In the Budget for this year, the Financial Secretary has proposed, a one-off reduction of 75% of profits tax, salaries tax and tax under personal assessment for the year of assessment 2018/19, subject to a ceiling of \$20,000 per case. The Government has started the legislative amendment exercise for this proposal. After enactment of the relevant legislation, the IRD will effect the tax reduction in the 2018/19 tax bills to be issued later. Taxpayers should complete their tax returns as usual. No application is required for the proposed tax measures.

Now, I would like to brief you about the new or changed items for the year of assessment 2018/19:

- Personal Disability Allowance at \$75,000 is newly introduced for taxpayer who is eligible to claim an allowance under the Government's Disability Allowance Scheme.
- A married person may elect for personal assessment separately from or jointly with his/her spouse.
- Pursuant to the proposal made by the Chief Executive in her 2017 Policy Address, we have introduced the two-tiered profits tax rates regime. The tax rate for the first \$2 million of assessable profits of a corporation is lowered to 8.25% while that for an unincorporated

business is reduced to 7.5%. Assessable profits exceeding \$2 million is to be taxed at 16.5% and 15% respectively. For connected entities, only one nominated entity can enjoy the preferential tax rate. In the 2018/19 tax returns, all business operators are required to state whether their businesses are chargeable at the two-tiered rates and for businesses that have connected entities, whether any other connected entity has elected two-tiered rates.

- Enhanced tax deductions are allowed under Profits Tax for 3 types of eligible capital expenditures:
 1. A 300 per cent tax deduction will be allowed for the first \$2 million qualifying research and development expenditure, and a 200 per cent deduction for the remainder.
 2. Capital expenditure incurred in procuring eligible energy efficient building installations and renewable energy devices will be allowed in full in one year instead of the current time frame of five years.
 3. The scope of deduction for capital expenditure incurred for the purchase of intellectual property rights will be expanded from the original five types to eight. The three additional types are performer's economic rights, protected layout-design rights and protected plant variety rights.

Besides, starting from 1 April 2019, a taxpayer may claim tax deduction for qualifying premiums paid by him/her or his/her spouse as a policy holder of a Voluntary Health Insurance Scheme (VHIS) policy for an insured person who is the taxpayer or a specified relative of the taxpayer. The ceiling for deduction is \$8,000 per insured person. There is no cap on the number of dependants that are eligible for tax deduction.

A one-month period is allowed for filing individuals tax returns. The deadline is 3 June 2019. For sole proprietors of unincorporated businesses, a three-month period is allowed, i.e. the filing deadline is 2 August 2019. For taxpayers who file their returns through eTAX, they will get an automatic extension of 1 month.

IRD Revenue Collections

I will next give an account of the revenue collections by the IRD in the year 2018-19, and the forecast collection for the coming year. I would like to emphasize that the figures for 2018-19 are provisional figures only.

In the year 2018-19, the IRD collected \$341.4 billion, representing a 4% increase when comparing to last year and the increase mainly came from Profits tax collection, which was \$166.6 billion, 20% higher than that of last year. Salaries tax collection decreased by 1% to \$60.1 billion. Stamp duty decreased by 16% to \$80 billion.

In the coming year, the forecast total revenue collection is \$334.3 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 in the returns by post. I would also like to encourage taxpayers to file their returns through eTAX.

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	2018-19 臨時數字 Provisional figures	2017-18	變動 Change	
	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	166,618	139,100.2	+ 27,517.8	+ 20%
薪俸稅 Salaries Tax	60,143	60,838.8	- 695.8	- 1%
物業稅 Property Tax	3,624	3,447.8	+ 176.2	+ 5%
個人入息課稅 Personal Assessment	5,963	5,342.5	+ 620.5	+ 12%
入息及利得稅總額 Total Earnings & Profits Tax	236,348	208,729.3	+ 27,618.7	+ 13%
遺產稅 Estate Duty	89	31.3	+ 57.7	+ 184%
印花稅 Stamp Duty	79,979	95,172.8	- 15,193.8	- 16%
博彩稅 Betting Duty	22,194	21,959.1	+ 234.9	+ 1%
商業登記費 Business Registration Fees	2,827	2,726.7	+ 100.3	+ 4%
稅收總額 Total Revenue Collected	341,437	328,619.2	+ 12,817.8	+ 4%

表二 發出的稅單
Table 2 Demand Notes Issued

財政年度 Financial Year	2018-19 臨時數字 Provisional figures	2017-18	變動 Change	
利得稅 Profits Tax	172,000	164,000	+ 8,000	+ 5%
薪俸稅 Salaries Tax	1,647,000	1,606,000	+ 41,000	+ 3%
物業稅 Property Tax	151,000	139,000	+ 12,000	+ 9%
個人入息課稅 Personal Assessment	258,000	192,000	+ 66,000	+ 34%
總數 Total	2,228,000	2,101,000	+ 127,000	+ 6%

表三 評定的稅款
Table 3 Tax Assessed

財政年度 Financial Year	2018-19 臨時數字 Provisional figures	2017-18	變動 Change	
	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	173,550	144,930	+ 28,620	+ 20%
薪俸稅 Salaries Tax	62,360	62,860	- 500	- 1%
物業稅 Property Tax	4,020	3,680	+ 340	+ 9%
個人入息課稅 Personal Assessment	6,030	5,360	+ 670	+ 13%
總額 Total	245,960	216,830	+ 29,130	+ 13%

表四 本年度欠税情況
Table 4 Current Year Arrears Position

財政年度 Financial Year	2018-19 臨時數字 Provisional figures (31-3-2019)	2017-18 (31-3-2018)	變動 Change	
截至 As at	百萬元 (\$m)	百萬元 (\$m)	百萬元 (\$m)	
利得稅 Profits Tax	3,530	2,059	+ 1,471	+ 71%
薪俸稅 Salaries Tax	1,649	1,576	+ 73	+ 5%
物業稅 Property Tax	237	232	+ 5	+ 2%
個人入息課稅 Personal Assessment	113	121	- 8	- 7%
總額 Total	5,529	3,988	+ 1,541	+ 39%

表五 本年度欠税佔評定稅款比率
Table 5 Percentage of Current Year Arrears over Tax Assessed

財政年度 Financial Year	2018-19 臨時數字 Provisional figures		2017-18		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	2.0%	百萬元 (\$m) 173,550	1.4%	百萬元 (\$m) 144,930	+ 0.6
薪俸稅 Salaries Tax	2.6%	62,360	2.5%	62,860	+ 0.1
物業稅 Property Tax	5.9%	4,020	6.3%	3,680	- 0.4
個人入息課稅 Personal Assessment	1.9%	6,030	2.3%	5,360	- 0.4
總額 Total	2.2%	245,960	1.8%	216,830	+ 0.4

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
2014-15	4,700	40,100	3,000	47,800
2015-16	4,600	39,300	2,800	46,700
2016-17	4,700	34,700	2,600	42,000
2017-18	4,400	33,400	3,000	40,800
2018-19	4,900	32,600	2,900	40,400
2018-19 年度變動	+ 500	- 800	- 100	- 400
Change for 2018-19	+ 11%	- 2%	- 3%	- 1%

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
2014-15	940	4,710	80	360	6,090
2015-16	920	4,110	100	290	5,420
2016-17	1,090	3,780	90	220	5,180
2017-18	910	3,280	70	220	4,480
2018-19	800	3,160	90	190	4,240
2018-19 年度變動	- 110	- 120	+ 20	- 30	- 240
Change for 2018-19	- 12%	- 4%	+ 29%	- 14%	- 5%

表八 薪俸稅—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	2017/18 臨時數字 Provisional figures	2016/17
年薪 Annual income		
90 萬元以上 Above \$900,000	+ 7%	+ 1%
\$600,001 - \$900,000	+ 6%	+ 5%
\$300,001 - \$600,000	+ 5%	+ 5%
30 萬元或以下 \$300,000 & below	+ 7%	+ 6%
整體增長 Overall growth	+ 6%	+ 4%

表九 利得稅—應評稅利潤整體增長

Table 9 Overall Growth in Assessable Profits under Profits Tax

課稅年度 Year of Assessment	2017/18 臨時數字 Provisional figures	2016/17
整體增長 Overall growth	+ 17%	- 1%

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	2017/18 臨時數字 Provisional figures		2016/17	
	納稅人數目 No. of Taxpayers	百分比 %	納稅人數目 No. of Taxpayers	百分比 %
年薪 Annual income				
90 萬元以上 Above \$900,000	213,000	11.4%	195,000	11.0%
\$600,001 - \$900,000	239,000	12.8%	216,000	12.2%
\$400,001 - \$600,000	380,000	20.3%	350,000	19.8%
\$300,001 - \$400,000	307,000	16.4%	291,000	16.5%
\$200,001 - \$300,000	424,000	22.7%	398,000	22.6%
20 萬元或以下 \$200,000 & below	307,000	16.4%	315,000	17.9%
總數 Total	1,870,000	100.0%	1,765,000	100.0%

表十一 按應評稅利潤的公司分佈

Table 11 Distribution of Corporations by Assessable Profits

課稅年度 Year of Assessment	2017/18 臨時數字 Provisional figures		2016/17	
	公司數目 No. of corporations	百分比 %	公司數目 No. of corporations	百分比 %
應評稅利潤 Assessable Profits				
5 千萬元以上 Above \$50m	2,000	1.8%	1,900	1.8%
\$30,000,001 - \$50,000,000	1,200	1.1%	1,100	1.0%
\$20,000,001 - \$30,000,000	1,400	1.2%	1,200	1.1%
\$10,000,001 - \$20,000,000	3,300	2.9%	3,100	2.9%
\$7,500,001 - \$10,000,000	1,800	1.6%	1,800	1.7%
\$5,000,001 - \$7,500,000	3,200	2.8%	3,000	2.8%
\$3,000,001 - \$5,000,000	5,300	4.7%	4,900	4.6%
\$2,000,001 - \$3,000,000	5,200	4.6%	4,900	4.6%
\$1,000,001 - \$2,000,000	11,400	10.1%	10,700	10.0%
100 萬元或以下 \$1m & below	78,300	69.2%	74,100	69.5%
總數 Total	113,100	100.0%	106,700	100.0%

表十二 2019-20 預算與 2018-19 稅收
Table 12 2019-20 Estimates and 2018-19 Revenue

財政年度 Financial Year	2019-20 預算 Estimates	2018-19 稅收 Revenue 臨時數字 Provisional figures	變動 Change	
利得稅 Profits Tax	百萬元 (\$m) 159,600	百萬元 (\$m) 166,618	百萬元 (\$m) - 7,018	- 4%
薪俸稅 Salaries Tax	66,600	60,143	+ 6,457	+ 11%
物業稅 Property Tax	3,600	3,624	- 24	- 1%
個人入息課稅 Personal Assessment	6,100	5,963	+ 137	+ 2%
入息及利得稅總額 Total Earnings & Profits Tax	235,900	236,348	- 448	- 0.2%
遺產稅 Estate Duty	15	89	- 74	- 83%
印花稅 Stamp Duty	76,000	79,979	- 3,979	- 5%
博彩稅 Betting Duty	22,230	22,194	+ 36	+ 0.2%
商業登記費 Business Registration Fees	190	2,827	- 2,637	- 93%
稅收總額 Total Revenue Collected	334,335	341,437	- 7,102	- 2%

表十三 實地審核及調查科的成績

Table 13 Results of the Field Audit and Investigation Unit

財政年度 Financial Year	2018-19 臨時數字 Provisional figures	2017-18	2016-17	2015-16	2014-15
完成個案數目 No. of cases completed	1,802	1,804	1,801	1,804	1,803
所短報的入息及利潤 Understated earnings & profits (百萬元 / \$m)	13,910	11,688	12,409	13,889	12,858
平均每個個案短報的款額 Average understatement per case (百萬元 / \$m)	8	6	7	8	7
評定的補繳稅款及罰款 Back tax and penalties assessed (百萬元 / \$m)	2,827	2,526	2,528	2,538	2,533
平均每個個案補繳稅款及罰款 Average back tax and penalties per case (百萬元 / \$m)	1.6	1.4	1.4	1.4	1.4
完成檢控個案數目 No. of prosecuted cases completed	1	-	5	3	7