

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)035

(Question Serial No. 1804)

Head: (76) Inland Revenue Department
Subhead (No. & title): ()
Programme: (3) Investigation and Field Audit
Controlling Officer: Commissioner of Inland Revenue (TAM Tai Pang)
Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Both the number of property tax compliance check cases and the amount of back tax assessed were estimated to increase in the recent 2 years and it is estimated that the trend will continue in the coming year. What are the main reasons for the increases?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 69)

Reply:

For the purpose of Property Tax compliance check, the Inland Revenue Department will select cases from tenancy agreements submitted to the Stamp Office for stamping where information contained therein will be automatically crosschecked against the rental income reported by the landlords in their tax returns, with a view to selecting cases for in-depth enquiry.

There has been an increase in the number of tenancy agreements submitted to the Stamp Office for stamping in 2020-21. In addition, due to the deferral of the assessing cycle for the year of assessment 2018/19 as compared with past years, some tax returns unassessed in 2019-20 could only be processed and undergo compliance check in 2020-21. As such, significant increases in the number of completed property tax compliance check cases and the relevant back tax are anticipated in 2020-21. The corresponding figures for 2021-22 are expected to increase slightly in line with the normal rising trend for the number of tenancy agreements.

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