

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)034****(Question Serial No. 2807)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Taxpayer ServicesControlling Officer: Commissioner of Inland Revenue (TAM Tai Pang)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

During 2024-25, the Inland Revenue Department (IRD) will continue to deliver quality customer service and promote the wider use of electronic services through which taxpayers can file tax returns, obtain their personal tax information and documents, notify changes of personal particulars and lodge requests for holdover of provisional tax and revision of assessment. In this regard, please advise this Committee on the following:

1. The numbers of Profits Tax Returns for businesses (separate statistics on paper returns and electronic returns) processed by the IRD in each of the past 3 years;
2. In recent years, as the due dates for submission of Profits Tax Returns approach, there have always been crowds flocking to the IRD office to file their returns. Will the IRD deploy additional resources to cope with this? What are the expenditures involved? Besides, how will the IRD promote the use of electronic services to enterprises and tax representatives in the future? What are the expenditures involved?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 20)Reply:

1. In the past 3 financial years, the numbers of Profits Tax Returns filed by corporations and businesses are as follows:

Financial Year	Number of Profits Tax Returns Filed (Note)		
	Electronic Returns	Paper Returns	Total Number of Returns filed
2021-22	2 500	447 400	449 900
2022-23	3 200	480 800	484 000
2023-24 (as at 29 February 2024)	3 300	460 800	464 100

Note: Rounded to the nearest hundred.

2. The Inland Revenue Department (IRD) normally issues Profits Tax Return on the first working day of April every year. Taxpayers are required to furnish duly completed return within one month. Taking into consideration that businesses are required to prepare annual financial statements before completing Profits Tax Return, the IRD allows businesses with accounting year end dates falling within December and between January to March to apply for an extension of the return due date to mid-August and mid-November respectively. Tax representatives are encouraged to file as many returns as possible before the extended due dates every year to avoid the need to file large number of returns on the extended due dates.

To cater for the sudden increase in the service demands, the IRD will assess the actual circumstance when approaching the due dates and deploy more staff to serve the additional mail receipt counters. There is no extra cost incurred as it is a deployment of internal resources.

The IRD will continue promoting electronic filing of Profits Tax Returns in the 2024-25 financial year. The IRD will implement a series of promotional activities, including arranging meetings and seminars with various professional bodies and businesses, displaying posters, handing out publicity leaflets, displaying in-train video in MTR, advertising on social media, radio and television as well as displaying promotional messages through the websites of other government departments and professional bodies. For the financial year 2024-25, the estimated expenditure for promoting e-filing of Profits Tax Returns is about \$3 million.

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