

INLAND REVENUE DEPARTMENT NOTICE

Property Tax - Obligations of Property Owners

Property tax is charged on owners of land and/ or buildings (“Landed Property”) by reference to the actual consideration receivable in respect of the right of use of the Landed Property (including rent, license fee and lease premium) in the relevant year of assessment. Property owners who are in receipt of rental income and liable to tax but have not yet received a relevant tax return (see below) must inform the Commissioner of Inland Revenue (“the Commissioner”) in writing of the particulars of the leased property not later than 4 months after the end of the basis period in the year of assessment in which they are so chargeable (if the owner is liable to property tax for the year of assessment 2023/24, he/ she should notify the Commissioner on or before 31 July 2024). To notify chargeability, property owners may use the form “Notification of Letting of Properties” (IR6129), which is available at the Department’s website at www.ird.gov.hk > Public Forms and Pamphlets > Public Forms > Property Tax or the “Fax-A-Form” service at 2598 6001.

When a property owner receives a tax return, even if there is no rental income to report (e.g. the property is owner-occupied), he/ she is still required to furnish a duly completed tax return within the stipulated time to the Department. Property owners should report the rental income from different types of property ownership in the relevant tax return as follows:

<u>Type of property ownership</u>	<u>Relevant Tax return</u>
Solely owned by an individual	Tax Return – Individuals (BIR60)
Jointly owned or co-owned by individuals	Property Tax Return (BIR57)
Owned by corporations and bodies of persons	Property Tax Return (BIR58)

Besides, property owners chargeable to property tax must:

- keep sufficient rent records (such as lease agreements and duplicates of rental receipts) for at least 7 years.
- inform the Commissioner in writing of the particulars of the change in the postal address or the property ownership within one month after the effective date of the change.

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 the Commissioner in writing of the change within 30 days after the event.

Failure to comply with the requirements of the Inland Revenue Ordinance may result in heavy penalties. For further information regarding the tax obligations of property owners, please visit the Department’s website <www.ird.gov.hk> or call the Department’s hotline 187 8088.

TAM Tai-pang
Commissioner of Inland Revenue