

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)029

(Question Serial No. 2683)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (Benjamin CHAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Matters Requiring Special Attention in 2025-26 that the Inland Revenue Department (IRD) will strengthen the effort in promoting the use of electronic services and replace the eTAX system by 3 new Tax Portals with enhanced and new functionalities. 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 with their respective percentages to the total number of Profits Tax returns) processed by the IRD in each of the past 3 years;
2. The numbers of Tax Return for Individuals (separate statistics on traditional returns and electronic returns filed via eTAX with their respective percentages to the total number of Tax Returns for Individuals) processed by the IRD in each of the past 3 years;
3. Regarding the development of the 3 new Tax Portals, what is the current progress and when will the portals be officially launched? Does the IRD have any implementation timetable to mandate all taxpayers to file tax returns electronically? How much manpower and administrative expenditure are estimated to be saved if all taxpayers file tax returns via electronic means?
4. Will the "Digital Corporate Identity" Platform be rolled out on schedule together with the new Tax Portals for enterprises to complete the registrations in one go?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 29)

Reply:

1. In the past three financial years, the numbers of electronic and paper Profits Tax Returns filed by corporations and partnerships and their respective percentages to the total number of Returns filed are as follows:

| Financial Year | Number of Profits Tax Returns (Note) and Percentage to the Total Number of Returns | | |
|-------------------------------------|--|--------------------|-------------------------|
| | Electronic Returns | Paper Returns | Total Number of Returns |
| 2022-23 | 3 200 (0.7%) | 480 800 (99.3%) | 484 000 |
| 2023-24 | 3 300 (0.7%) | 475 900 (99.3%) | 479 200 |
| 2024-25 (as at 28 February 2025) | 5 500 (1.1%) | 487 100 (98.9%) | 492 600 |

Note: Rounded to the nearest hundred.

2. In the past three financial years, the numbers of Tax Returns – Individuals filed via eTAX and in paper form and their respective percentages to the total number of Returns filed are as follows:

| Financial Year | Number of Tax Returns – Individuals (Note) and Percentage to the Total Number of Returns | | |
|-------------------------------------|--|----------------------|-------------------------|
| | Electronic Returns | Paper Returns | Total Number of Returns |
| 2022-23 | 866 600 (34.1%) | 1 675 800 (65.9%) | 2 542 400 |
| 2023-24 | 934 600 (37.0%) | 1 589 900 (63.0%) | 2 524 500 |
| 2024-25 (as at 28 February 2025) | 1 078 400 (39.9%) | 1 623 100 (60.1%) | 2 701 500 |

Note: Rounded to the nearest hundred.

3. The development and testing of the three new tax portals (Individual Tax Portal, Business Tax Portal and Tax Representative Portal) are at the final stage and they are expected to be fully launched in July 2025. As the first step, the IRD plans to mandate Hong Kong constituent entities of certain multinational enterprise groups to file their Profits Tax Returns electronically for the year of assessment 2025/26 and subsequent years of assessment. The goal is to achieve full-scale implementation of mandatory electronic filing (e-filing) of Profits Tax Returns by 2030. Although the IRD currently has not mandated all individual taxpayers to file their Returns electronically, it will continue to use different publicity channels in the financial year 2025-26 to further increase the take-up rate of e-filing of the Returns. The IRD does not have the estimates on the savings of manpower and costs that could be achieved by mandating all taxpayers to file tax returns electronically.

4. The Government plans to roll out the application functions of the “Digital Corporate Identity” (CorpID) in late 2026. At that time, the IRD will fully cooperate to facilitate businesses in using the CorpID on the new tax portals.

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