Examination of Estimates of Expenditure 2026-27

Reply Serial No.

FSTB(Tsy)096

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3660)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Commissioner of Inland Revenue (Benjamin CHAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The 2026-27 Budget proposes a series of concessionary tax measures, including increasing the basic allowance, the married person's allowance and the dependent parent allowance, as well as continuing the reduction in salaries tax and tax under personal assessment by 100 per cent. The said measures provide some relief for the "sandwich generation", who shoulder multiple family responsibilities. However, given the current uneven pace of economic recovery in Hong Kong and the varying financial pressures actually faced by households of different family structures, the coverage and precision of the existing concessionary tax measures remain to be reviewed. Regarding the beneficiaries and coverage of these concessionary tax measures, will the Government inform this Committee of the following:

1. the numbers of taxpayers claiming the (i) basic allowance, (ii) married person's allowance, and (iii) dependent parent allowance, and the percentages of these taxpayers out of the total number of taxpayers by annual income groups (e.g. below $100,000, $100,000 to $200,000, $200,000 to $300,000, $300,000 to $500,000, above $500,000, etc.) in each of the past 3 years of assessment;

2. the numbers of taxpayers who were granted the dependent parent allowance, and the average annual income of these taxpayers by the number of dependent parents maintained (i.e. 1, 2, or 3 or more dependent parent(s) maintained) in each of the past 3 years of assessment;

3. the numbers of taxpayers who were not required to pay salaries tax, and the proportions of these taxpayers who claimed all 3 of the said allowances at the same time in each of the past 3 years of assessment.

Asked by: Hon LEE Ka-kui (LegCo internal reference no.: 1)

Reply:

1. For the three years of assessment from 2022/23 to 2024/25 (up to 28 February 2026), the numbers of taxpayers across four income groups who were granted (i) basic allowance; (ii) married person's allowance; and (iii) dependent parent allowance, and their respective percentages out of total number of taxpayers in each year of assessment, are set out below:

Year of Assessment 2022/23

Annual income ($)	Basic allowance		Married person's allowance		Dependent parent allowance (Note 2)	
	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)
132,001 – 200,000 (Note 1)	143 300	7.9%	0	0%	2 500	0.1%
200,001 – 300,000	374 800	20.8%	7 400	0.4%	79 800	4.4%
300,001 – 500,000	507 700	28.1%	66 700	3.7%	260 200	14.4%
500,001 or above	515 200	28.5%	191 800	10.6%	405 100	22.4%
Total	1 541 000	-	265 900	-	747 600	-

Year of Assessment 2023/24

Annual income ($)	Basic allowance		Married person's allowance		Dependent parent allowance (Note 2)	
	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)
132,001 – 200,000 (Note 1)	156 000	8.0%	0	0%	2 400	0.1%
200,001 – 300,000	408 900	21.1%	10 500	0.5%	80 300	4.1%
300,001 – 500,000	530 400	27.4%	80 200	4.1%	267 900	13.8%
500,001 or above	547 500	28.3%	205 000	10.6%	434 800	22.4%
Total	1 642 800	-	295 700	-	785 400	-

Year of Assessment 2024/25 (up to 28 February 2026)

Annual income ($)	Basic allowance		Married person's allowance		Dependent parent allowance (Note 2)	
	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)	No. of taxpayers (Note 3)	Percentage out of total no. of taxpayers (Note 4)
132,001 – 200,000 (Note 1)	141 200	7.1%	0	0%	2 000	0.1%
200,001 – 300,000	426 500	21.4%	11 000	0.6%	80 400	4.0%
300,001 – 500,000	542 400	27.2%	89 000	4.5%	273 200	13.7%
500,001 or above	568 600	28.5%	213 200	10.7%	450 500	22.6%
Total	1 678 700	-	313 200	-	806 100	-

Notes:
1. The basic allowance is $132,000. Individuals with income below this level are not required to pay tax.
2. A taxpayer can be concurrently granted two types of dependent parent tax allowances (i.e. (a) dependents are parents who are 60 years old or above, or are eligible to claim an allowance under the Government's Disability Allowance Scheme; and (b) dependents are parents who are 55 years old or above but below 60). As the Inland Revenue Department (IRD) does not maintain separate statistics on the number of such taxpayers, there may be overlap in the numbers of taxpayers involved.
3. Rounded to the nearest hundred.
4. "Total number of taxpayers" refers to the total number of taxpayers assessed at progressive rates.

2. For the three years of assessment from 2022/23 to 2024/25 (up to 28 February 2026), the numbers of taxpayers who were granted dependent parent allowance and their respective average annual income in each year of assessment, broken down by the number of dependent parents maintained, are set out below (Note 1):

Number of dependent parent(s) maintained	2022/23		2023/24		2024/25 (up to 28 February 2026)	
	No. of taxpayers (Note 2)	Average annual income (Note 2)	No. of taxpayers (Note 2)	Average annual income (Note 2)	No. of taxpayers (Note 2)	Average annual income (Note 2)
1	514 000	603,000	535 800	611,400	549 100	617,100
2	216 300	771,400	230 900	782,200	238 200	792,200
3 or above	17 300	1,125,600	18 700	1,131,100	18 800	1,143,900
Total	747 600	-	785 400	-	806 100	-

Notes:
1. A taxpayer can be concurrently granted two types of dependent parent tax allowances (i.e. (a) dependents are parents who are 60 years old or above, or are eligible to claim an allowance under the Government's Disability Allowance Scheme; and (b) dependents are parents who are 55 years old or above but below 60). As the IRD does not maintain statistics on the number of such taxpayers, there may be overlap in the numbers of taxpayers involved.
2. Rounded to the nearest hundred.

3. For the three years of assessment from 2022/23 to 2024/25 (up to 28 February 2026), (i) the numbers of individuals who had salaries income but were not required to pay salaries tax after being granted deductions for outgoings and expenses as well as allowances; and (ii) the numbers of individuals who were concurrently granted basic or married person's

allowance and dependent parent allowance, and their respective percentages out of individuals who were not required to pay salaries tax, are set out below:

Year of Assessment	No. of individuals who had salaries income but were not required to pay salaries tax after being granted deductions for outgoings and expenses as well as allowances (Note 3)	Concurrently being granted the basic or married person's allowance and dependent parent allowance (Notes 1 & 2)	
		No. of individuals (Note 3)	Percentage out of individuals who were not required to pay salaries tax
2022/23	1 050 000	397 000	37.8%
2023/24	908 000	337 000	37.1%
2024/25 (up to 28 February 2026)	761 000	286 000	37.6%

Notes:
1. Each taxpayer assessed at progressive rates can only be granted either the basic allowance or the married person's allowance (as the case may be).
2. A taxpayer can be concurrently granted two types of dependent parent tax allowances (i.e. (a) dependents are parents who are 60 years old or above, or are eligible to claim an allowance under the Government's Disability Allowance Scheme; and (b) dependents are parents who are 55 years old or above but below 60). As the IRD does not maintain separate statistics on the number of such taxpayers, there may be overlap in the numbers of individuals involved.
3. Rounded to the nearest thousand.

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