



## Related Tax Rules of Guide to Tax Return – Individuals

### How to Compute Your Own Tax Liability

- (a) The assessable value in Part 3, assessable income in Part 4, and/or assessable profits in Part 5 will form the basis on which the relevant amount of Property Tax, Salaries Tax and/or Profits Tax for the year (e.g. 2024/25) and the amount of provisional tax for the next year (e.g. 2025/26) are determined. Any provisional tax previously charged for the year (e.g. 2024/25) will be set off against your final tax liability for the year (e.g. 2024/25) and the provisional tax for the next year (e.g. 2025/26).
- (b) If, however, you elect Personal Assessment in Part 7 for the year, all income accrued to you under Parts 3, 4 and 5 will be aggregated to compute your tax liability. A Personal Assessment Demand Note will be issued to you and if you are liable to Salaries Tax, a Salaries Tax Demand Note for final tax for the year and provisional tax for the next year will also be issued notwithstanding your election for Personal Assessment.
- (c) For 2024/25, 100% of the final tax payable under profits tax, salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$1,500 per case.

(d) **Examples (for the year of assessment 2024/25)**

(i) <b>Property Tax</b>	<b>\$</b>
Total Assessable Value after deductions per Part 3	10,000
<u>Less: Repairs and outgoings (statutory 20%)</u>	<u>2,000</u>
Net Assessable Value	<u>8,000</u>
Property Tax payable at the standard rate of 15%	<u>1,200</u>



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<b>(ii) Salaries Tax</b>	<b>\$</b>
Income Per Part 4 (i.e. box <b>30</b> – box <b>34</b> + box <b>37</b> – box <b>38</b> – box <b>39</b> – box <b>40</b> – box <b>41</b> )	400,000
<u>Less</u> : Deductions and allowances from Part 8 to Part 12	<u>346,000</u>
Net Chargeable Income	<u>54,000</u>
Tax on first \$50,000 at 2%	1,000
Tax on the remaining \$4,000 at 6%	<u>240</u>
Tax Payable (Before Tax Reduction)	1,240
Less: 100% Tax Reduction (Note)	<u>1,240</u>
Tax Payable (After Tax Reduction)	<u>0</u>
<b>(iii) Profits Tax</b>	<b>\$</b>
If two-tiered profit tax rate is not applicable:	
Assessable Profits per Part 5	<u>200,000</u>
Profits Tax payable at the standard rate of 15%	30,000
Less: 100% Tax Reduction (capped at \$1,500) (Note)	<u>1,500</u>
Tax Payable (After Tax Reduction)	<u>28,500</u>
If two-tiered profit tax rate is applicable:	<b>\$</b>
Assessable Profits per Part 5	<u>200,000</u>
Profits Tax payable at the standard rate of 7.5%	15,000
Less: 100% Tax Reduction (capped at \$1,500) (Note)	<u>1,500</u>
Tax Payable (After Tax Reduction)	<u>13,500</u>

Note: For 2024/25, 100% of the final tax payable under profits tax, salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$1,500 per case.



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(iv) Personal Assessment (using the above examples)	\$
Net Assessable Value	8,000
Income	400,000
Assessable Profits	<u>200,000</u>
Total income	608,000
<u>Less</u> : Deductions and allowances	<u>346,000</u>
Net Chargeable Income	<u>262,000</u>
Tax on first \$50,000 at 2%	1,000
Tax on next \$50,000 at 6%	3,000
Tax on next \$50,000 at 10%	5,000
Tax on next \$50,000 at 14%	7,000
Tax on remaining \$62,000 at 17%	<u>10,540</u>
Total Tax Payable under Personal Assessment (Before Tax Reduction)	26,540
<u>Less</u> : 100% Tax Reduction (capped at \$1,500) (Note)	<u>1,500</u>
Total Tax Payable under Personal Assessment (After Tax Reduction)	<u>25,040</u>

[If Personal Assessment is elected, the total tax payable is reduced from \$29,700 (\$1,200 + \$0 + \$28,500) to \$25,040.]

Note: For 2024/25, 100% of the final tax payable under profits tax, salaries tax and tax under personal assessment would be waived, subject to a ceiling of \$1,500 per case.