

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**FSTB(Tsy)094**

Question Serial No.

3287

Head: 76 Inland Revenue Department

Subhead (No. & title):

Programme: (2) Collection

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the estimated number of taxpayers who will benefit from the reduction of salaries tax and the estimated percentage of salaries tax reduced (i.e. the ceiling is 75%) in each salaries tax band under the new Budget.

Asked by: Hon. CHAN Kam-lam

Reply:

The Inland Revenue Department (IRD) has not estimated, with breakdown by salaries tax bands, the number of taxpayers to benefit from the one-off reduction of salaries tax and the percentage of salaries tax reduced. Hence, the relevant information cannot be provided.

It is proposed in the 2012-13 Budget that salaries tax for the year of assessment 2011-12 be reduced by 75%, subject to a ceiling of \$12,000. IRD estimates that the proposed measure will benefit 1.4 million salaries taxpayers (not including taxpayers under personal assessment), of which about 920 000 salaries taxpayers will have their salaries tax reduced by 75% whereas some 480 000 salaries taxpayers will each be granted with tax reduction at the ceiling of \$12,000.

Signature: \_\_\_\_\_

Name in block letters: CHU Yam-yuen

Post Title: Commissioner of Inland Revenue

Date: 29.2.2012