

HONG KONG SPECIAL ADMINISTRATIVE REGION

ORDINANCE NO. 2 OF 2026



John KC LEE
Chief Executive
21 May 2026

An Ordinance to amend the Inland Revenue Ordinance to give effect to the proposals concerning tax concessions, concessionary deductions and allowances in the Budget introduced by the Government for the 2026–2027 financial year; and to provide for an increase in the child allowance in the year of assessment following the year of assessment in which a child is born.

[22 May 2026]

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Inland Revenue (Amendment) (Tax Concessions, Concessionary Deductions and Allowances) Ordinance 2026.

2. Inland Revenue Ordinance amended

The Inland Revenue Ordinance (Cap. 112) is amended as set out in sections 3 to 6.

3. Section 31 amended (child allowance)

After section 31(1A)—

Add

“(1B) In addition, a child allowance granted in respect of a child under subsection (1) is also to be increased by the prescribed amount in the year of assessment following the year of assessment in which the child is born.”.

4. Schedule 3C amended (elderly residential care expenses deduction)

Schedule 3C—

Repeal item 6

Substitute

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| “6. | For the years of assessment 2018/19 to 2025/26 inclusive | \$100,000 |
| 7. | For the year of assessment 2026/27 and for each year after that year | \$110,000”. |

5. Schedule 4 amended (allowances)

(1) Schedule 4, subheading—

Repeal

“year of assessment 2023/24 and for each year after that year”

Substitute

“years of assessment 2023/24 to 2025/26 inclusive”.

(2) At the end of Schedule 4—

Add

“For the year of assessment 2026/27 and for each year after that year

	First Column (section)	Second Column (the prescribed amount)
1.	Section 28 (basic allowance)	\$ 145,000
2.	Section 28A (personal disability allowance)	\$ 75,000
3.	Section 29 (married person's allowance)	\$ 290,000
4.	Section 30 (dependent parent allowance)—	
	(a) subsection (3)(a)	\$ 55,000
	(b) subsection (3)(b)	\$ 55,000
	(c) subsection (3A)(a)	\$ 27,500
	(d) subsection (3A)(b)	\$ 27,500
	(e) subsection (4)(a)	\$ 12,000
5.	Section 30A (dependent grandparent allowance)—	
	(a) subsection (3)(a)	\$ 55,000
	(b) subsection (3)(b)	\$ 55,000
	(c) subsection (3A)(a)	\$ 27,500
	(d) subsection (3A)(b)	\$ 27,500
	(e) subsection (4)(a)	\$ 12,000

	First Column (section)	Second Column (the prescribed amount)
6.	Section 30B(1) (dependent brother or dependent sister allowance)	\$ 37,500
7.	Section 31 (child allowance)—	
	(a) subsection (1)	\$140,000 for each child
	(b) subsection (1A)	\$140,000 for each child
	(c) subsection (1B)	\$140,000 for each child
	(d) subsection (5) (in relation to subsection (1))	\$1,260,000
	(e) subsection (5) (in relation to subsection (1A))	\$1,260,000
	(f) subsection (5) (in relation to subsection (1B))	\$1,260,000
8.	Section 31A(1) (disabled dependant allowance)	\$ 75,000
9.	Section 32(1) (single parent allowance)	\$ 145,000”.

6. Schedule 43 amended (reduction of taxes)

At the end of Schedule 43—

Add

“For the year of assessment 2025/26

	Column 1 (section)	Column 2 (prescribed percentage or prescribed amount)
1.	Salaries tax	
	(a) section 100(1)(a)	100%
	(b) section 100(1)(b)	\$3,000
2.	Profits tax	
	(a) section 100(2)(a)	100%
	(b) section 100(2)(b)	\$3,000
3.	Tax under personal assessment	
	(a) section 100(4)(a)	100%
	(b) section 100(4)(b)	\$3,000”.