

Allowances, Deductions and Tax Rate Table

1. Allowances

Year of Assessment	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 onwards #
	\$	\$	\$	\$	\$	\$	\$
Basic Allowance	120,000	120,000	120,000	120,000	132,000	132,000	132,000
Married Person's Allowance	240,000	240,000	240,000	240,000	264,000	264,000	264,000
Child Allowance (For each of the 1st to 9th child)	63,000	70,000	70,000	100,000	100,000	100,000	120,000
For each child born during the year, the Child Allowance will be increased by	63,000	70,000	70,000	100,000	100,000	100,000	120,000
Dependent Brother or Sister Allowance (For each dependant)	33,000	33,000	33,000	33,000	33,000	37,500	37,500
Dependent Parent and Dependent Grandparent Allowance (For each dependant)							
Parent / grandparent aged 60 or above or is eligible to claim an allowance under the Government's Disability Allowance Scheme	38,000	38,000	40,000	40,000	46,000	46,000	50,000
Parent / grandparent aged 55 or above but below 60	19,000	19,000	20,000	20,000	23,000	23,000	25,000
Additional Dependent Parent and Dependent Grandparent Allowance							
Parent / grandparent aged 60 or above or is eligible to claim an allowance under the Government's Disability Allowance Scheme	38,000	38,000	40,000	40,000	46,000	46,000	50,000
Parent / grandparent aged 55 or above but below 60	19,000	19,000	20,000	20,000	23,000	23,000	25,000
Single Parent Allowance	120,000	120,000	120,000	120,000	132,000	132,000	132,000
Personal Disability Allowance	-	-	-	-	-	-	75,000
Disabled Dependand Allowance (For each dependant)	66,000	66,000	66,000	66,000	66,000	75,000	75,000

2. Deductions – Maximum Limits

Year of Assessment	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 onwards #
	\$	\$	\$	\$	\$	\$	\$
Expenses of Self-Education	60,000	80,000	80,000	80,000	80,000	100,000	100,000
Elderly Residential Care Expenses	76,000	76,000	80,000	80,000	92,000	92,000	100,000
Home Loan Interest	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Mandatory Contributions to Recognized Retirement Schemes	14,500	15,000	17,500	18,000	18,000	18,000	18,000
Approved Charitable Donations							
[(Income – Allowable Expenses – Depreciation Allowances) x Percentage]	35%	35%	35%	35%	35%	35%	35%

3. Calculation of Tax Payable

Tax payable is calculated at progressive rates on your net chargeable income or at standard rate on your net income (before deduction of the allowances), whichever is lower. It is further reduced by the tax reduction, subject to a maximum.

Net Chargeable Income = Income – Deductions – Allowances

Year of Assessment	2012/13 to 2016/17			2017/18			2018/19 onwards #		
	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax
	\$		\$	\$		\$	\$		\$
On the First	40,000	2%	800	45,000	2%	900	50,000	2%	1,000
On the Next	<u>40,000</u>	7%	<u>2,800</u>	<u>45,000</u>	7%	<u>3,150</u>	<u>50,000</u>	6%	<u>3,000</u>
	80,000		3,600	90,000		4,050	100,000		4,000
On the Next	<u>40,000</u>	12%	<u>4,800</u>	<u>45,000</u>	12%	<u>5,400</u>	<u>50,000</u>	10%	<u>5,000</u>
	120,000		8,400	135,000		9,450	150,000		9,000
On the Next							<u>50,000</u>	14%	<u>7,000</u>
							200,000		16,000
Remainder		17%			17%			17%	
Standard Rates of Tax		15%			15%			15%	

Tax Reduction

Year of Assessment	% of Tax Reduction	Maximum Per Case (\$)	Applicable Tax Types
2012/13 & 2013/14	75%	10,000	profits tax, salaries tax and tax under personal assessment
2014/15 to 2016/17	75%	20,000	profits tax, salaries tax and tax under personal assessment
2017/18	75%	30,000	profits tax, salaries tax and tax under personal assessment

until superseded

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Salaries Tax / Personal Assessment

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Inland Revenue Department
Hong Kong Special Administrative Region