

## **INLAND REVENUE DEPARTMENT**

### **Property Tax - Obligations of Property Owners**

Property tax is charged on the owner by reference to the actual rent receivable (including lease premium) in the year of assessment. Owners in receipt of rental income must inform this Department in writing if they are liable to tax and supply the particulars of the property not later than 4 months after the end of the basis period for the year of assessment (e.g. on or before 31 July 2010 for the year of assessment 2009/2010), unless they have already received the Returns. Owners may use for this purpose the "Notification of Letting of Properties" (IR6129) provided by the Department. The form can be downloaded from our web site [www.ird.gov.hk](http://www.ird.gov.hk) under "Public Forms and Pamphlets : Public Forms : Property Tax" or obtained through the "Fax-A-Form" Service by calling 2598 6001.

A Return issued by the Department should be completed for official record updating purpose even if the property is solely and exclusively occupied by the owner or someone else without consideration. The owners should report the rental income in the appropriate Returns and furnish them to the Department within the time limit stipulated.

<u>Type of return</u>	<u>Type of property ownership</u>
Tax Return – Individuals (BIR60)	- Solely owned by an individual
Property Tax Return (BIR57)	- Jointly owned or co-owned by individuals
Property Tax Return (BIR58)	- Owned by corporations and bodies of persons

Besides, owners chargeable to property tax must:

- Keep sufficient records, such as lease agreements and duplicates of rent receipts for at least 7 years.
- Inform this Department the change of address in writing within 1 month.
- Inform this Department the change of ownership in writing within 1 month.

Where a corporation has been exempted from property tax and there is a change in the ownership or use of the property, or in any other circumstances which may affect such exemption, the corporation must notify this Department in writing within 30 days after the event.

Heavy penalties may be incurred for failure to comply with the requirements of the Inland Revenue Ordinance. Any owners requiring further information in respect of their tax obligations or liabilities may visit our web site [www.ird.gov.hk](http://www.ird.gov.hk) or telephone 187 8088.