

INLAND REVENUE DEPARTMENT

Property Tax - Obligations of Property Owners

Property tax is charged on property owners by reference to the actual rent receivable (including lease premium) in the relevant 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 2013 for the year of assessment 2012/2013), unless they have already received the appropriate tax returns (see below). For this purpose, owners may use the form "Notification of Letting of Properties" (IR6129) provided by the Department. The form can be downloaded from our web site <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 and furnished to the Department within the stipulated time limit for official record updating purpose even if no rental was received in respect of the property concerned (e.g. the property was solely and exclusively occupied by the owner or someone else without consideration). Owners should report their rental income in the appropriate returns as follows:

<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 rent records, such as lease agreements and duplicates of rental receipts for at least 7 years.
- Inform this Department of change of address in writing within 1 month.
- Inform this Department of 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> or telephone 187 8088.