

RELIEF AND MEASURES



PROFITS TAX

One-time relief measure:

- Reducing profits tax for 2019–20 by 100%, subject to a ceiling of HK\$20,000

Recurring tax measures (proposals):

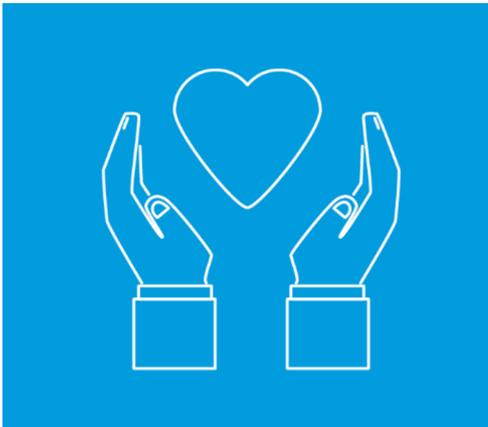
- Offering a profits tax exemption to qualifying ship lessors and a 50% profits tax concession to qualifying ship leasing managers in future years
- Providing tax concession for carried interest issued by private equity funds operating in Hong Kong subject to the fulfilment of certain conditions starting from 2020/21 upon completion of the legislative exercise



SALARIES TAX

One-time relief measure:

- Reducing salaries tax and tax under personal assessment for 2019–20 by 100%, subject to a ceiling of HK\$20,000



OTHERS

One-time relief measures:

- Waiver of business registration fees for 2020–21
- Waiver of registration fees for all annual returns for two years
- One-off cash payout of HK\$10,000 to each Hong Kong permanent resident aged 18 or above
- Waiver of rates for four quarters of 2020–21, subject to a ceiling of HK\$1,500 per quarter for each rateable residential property / HK\$5,000 per quarter for the first two quarters and HK\$1,500 per quarter for the remaining two quarters for each rateable non-domestic property
- Extra allowance to Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance and Disability Allowance recipients, equal to one month of the allowances
- Paying one month's rent for lower income tenants living in public rental units
- Waiver of 75% of water and sewage charges payable by non-domestic households for four extra months, subject to a monthly cap of HK\$20,000 and HK\$12,500 respectively per household
- Subsidy to each eligible non-domestic household accounts for four extra months to cover 75% of their monthly billed electricity charges, subject to a monthly cap of HK\$5,000 per account
- Introduction of concessionary low-interest loan under the SME Financing Guarantee Scheme, under which 100% guarantee will be provided by the Government

Profits Tax

Comparison Table on Profits Tax Reduction & Profits Tax Rate

	2018/19	2019/20	2020/21
One-off Reduction	Reduce 2018/19 tax by 100% ceiling @ HK\$20,000	Reduce 2019/20 tax by 100% ceiling @ HK\$20,000	To be announced in 2021/22 Budget next year (if any)
Tax Rate - Corporations - Unincorporated Businesses	16.5% or 8.25% on first HK\$2 million; 16.5% on the balance* 15% or 7.5% on first HK\$2 million; 15% on the balance* *subject to requirement for connected entities, etc.		

Salaries Tax

Comparison Tables on Salaries Tax Reduction & Salaries Tax Rate

	2018/19	2019/20
One-off Reduction	Reduce 2018/19 tax by 100% ceiling @ HK\$20,000	Reduce 2019/20 tax by 100% ceiling @ HK\$20,000

Tax Rate	2019/20	2020/21
1 st HK\$50,000	2%	2%
2 nd HK\$50,000	6%	6%
3 rd HK\$50,000	10%	10%
4 th HK\$50,000	14%	14%
Balance	17%	17%

The total tax payable is limited to 15% on net assessable income (before deduction of personal allowances).

Comparison Tables on the Personal Allowances on Salaries Tax & Deductions on Salaries Tax

Personal Allowances	2019/20	2020/21
Basic (Single Person)	HK\$132,000	HK\$132,000
Married Person	HK\$264,000	HK\$264,000
Single Parent	HK\$132,000	HK\$132,000
Disabled	HK\$75,000	HK\$75,000
Child (1 st – 9 th child)		
Year of Birth	HK\$240,000 each	HK\$240,000 each
Other Years	HK\$120,000 each	HK\$120,000 each
Dependent Parent/Grandparent 60+		
Residing Together	HK\$100,000 each	HK\$100,000 each
Not Residing Together	HK\$50,000 each	HK\$50,000 each
Dependent Parent/Grandparent 55-59		
Residing Together	HK\$50,000 each	HK\$50,000 each
Not Residing Together	HK\$25,000 each	HK\$25,000 each
Disable Dependent	HK\$75,000 each	HK\$75,000 each
Dependent Brother / Sister	HK\$37,500 each	HK\$37,500 each

Deductions	2019/20	2020/21
Expenses of Self-education	HK\$100,000	HK\$100,000
MPF Contribution	HK\$18,000	HK\$18,000
Home Loan Interest	HK\$100,000; 20 Years	HK\$100,000; 20 Years
Elderly Residential Care	HK\$100,000	HK\$100,000
Approved Charitable Donations	35% of income	35% of income
Voluntary Health Insurance Scheme	Max HK\$8,000 per insured person	Max HK\$8,000 per insured person
Annuity Premiums and MPF Voluntary Contributions	HK\$60,000	HK\$60,000