

Allowances, Deductions and Tax Rate Table

1. Allowances	Year of Assessment	2008/09 to 2013/14 onwards #			
		2007/08	2010/11	2011/12	2012/13
		\$	\$	\$	\$
	Basic Allowance	100,000	108,000	108,000	120,000
	Married Person's Allowance	200,000	216,000	216,000	240,000
	Child Allowance (For each dependant) the 1 st to 9 th child	50,000	50,000	60,000	63,000
	For each child born during the year, the Child Allowance will be increased by	50,000	50,000	60,000	63,000
	Dependent Brother or Sister Allowance (For each dependant)	30,000	30,000	30,000	33,000
	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	30,000	30,000	36,000	38,000
	Parent / grandparent aged 55 or above but below 60	15,000	15,000	18,000	19,000
	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	30,000	30,000	36,000	38,000
	Parent / grandparent aged 55 or above but below 60	15,000	15,000	18,000	19,000
	Single Parent Allowance	100,000	108,000	108,000	120,000
	Disabled Dependand Allowance (For each dependant)	60,000	60,000	60,000	66,000
2. Deductions – Maximum Limits	Year of Assessment	2008/09 to 2013/14 onwards #			
		2007/08	2010/11	2011/12	2012/13
		\$	\$	\$	\$
	Expenses of Self-Education	60,000	60,000	60,000	60,000
	Elderly Residential Care Expenses	60,000	60,000	72,000	76,000
	Home Loan Interest	100,000	100,000	100,000	100,000
	Mandatory Contributions to Recognized Retirement Schemes	12,000	12,000	12,000	14,500
	Approved Charitable Donations				
	[(Income – Allowable Expenses – Depreciation Allowances) x Percentage]	25%	35%	35%	35%

3. Table Showing Tax on Net Chargeable Income

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	2007/08			2008/09 to 2013/14 onwards #		
	Net Chargeable Income	Rate	Tax	Net Chargeable Income	Rate	Tax
	\$		\$	\$		\$
On the First	35,000	2%	700	40,000	2%	800
On the Next	<u>35,000</u>	7%	<u>2,450</u>	<u>40,000</u>	7%	<u>2,800</u>
	70,000		3,150	80,000		3,600
On the Next	<u>35,000</u>	12%	<u>4,200</u>	<u>40,000</u>	12%	<u>4,800</u>
	105,000		7,350	120,000		8,400
Remainder		17%			17%	
Standard Rates of Tax		16%			15%	

Tax Reduction

Year of Assessment	% of Tax Reduction	Maximum Per Case (\$)	Applicable Tax Types
2007/08	75%	25,000	salaries tax, profits tax, property tax and tax under personal assessment
2008/09	100%	8,000	salaries tax and tax under personal assessment
2009/10 & 2010/11	75%	6,000	salaries tax and tax under personal assessment
2011/12	75%	12,000	salaries tax, profits tax and tax under personal assessment
2012/13*	75%	10,000	salaries tax, profits tax and tax under personal assessment

* Legislative amendments are required for implementing the tax measures as proposed by the Financial Secretary in the 2013-14 Budget.

until superseded

Salaries Tax / Personal Assessment

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Inland Revenue Department
Hong Kong Special Administrative Region