

REVENUE BILL 2008

COMMITTEE STAGE

Amendments to be moved by the Honourable LEE Cheuk-yan

<u>Clause</u>	<u>Amendment Proposed</u>
New	By adding in Part 2– “2A. Charge of profits tax Section 14(2) of the Inland Revenue Ordinance (Cap. 112) is amended, in the English text, by repealing “rate” and substituting “rates”.”.
New	By adding – “2B. Qualifying debt instruments Section 14A is amended by adding – “(1A) For the purposes of subsection (1), the reference to the rate specified in Schedule 8, in relation to the year of assessment commencing on 1 April 2008 and to subsequent years of assessment, is a reference to – <ul style="list-style-type: none">(a) where the assessable profits of a corporation do not exceed \$10,000,000, 16½%;(b) where the assessable profits of a corporation exceed \$10,000,000, 17½%.”.”.

New By adding –

“2C. Qualifying reinsurance business

Section 14B is amended by adding –

“(1A) For the purposes of subsection (1), the reference to the rate specified in Schedule 8, in relation to the year of assessment commencing on 1 April 2008 and to subsequent years of assessment, is a reference to –

- (a) where the assessable profits of a corporation do not exceed \$10,000,000, 16½%;
- (b) where the assessable profits of a corporation exceed \$10,000,000, 17½%.”.

3(1) By deleting “of the Inland Revenue Ordinance (Cap. 112)”.

New By adding –

“4A. Treatment of losses: concessionary trading receipts

Section 19CA(4) is amended by repealing “A means the rate specified in Schedule 1 or 8, as the case may be, for that year of assessment; and” and substituting –

“A means –

- (a) the rate specified in Schedule 1 for that year of assessment; or
- (b) in the case of a corporation –
 - (i) in relation to any year of assessment up to and including the year of assessment commencing on 1 April 2007, the rate specified in Schedule 8 for that year of assessment; or
 - (ii) in relation to the year of assessment commencing on 1 April 2008 and to subsequent years of assessment –
 - (A) where the assessable profits of the corporation do not exceed \$10,000,000, 16½%;

(B) where the assessable profits of the corporation exceed \$10,000,000, 17½%; and”.”.

New By adding –

“5A. Amount of provisional profits tax

Section 63H(1A) is amended, in the English text, by repealing “rate” and substituting “rates”.”.

10 (a) By adding before subclause (1) –

“(1A) Schedule 8 is amended, in the English text, by repealing “RATE” and substituting “RATES”.”.

(b) By deleting subclause (2) and substituting –

“(2) Schedule 8 is amended by adding at the end –
“For the year of assessment 2008/09 and
for each year after that year -

(a) Upon the first \$10,000,000 16½%

(b) Upon the remainder 17½%”.”.