

---

# **Inland Revenue (Amendment) (No. 2) Ordinance 2011**

## **Contents**

Section	Page
1.	Short title ..... A423
2.	Inland Revenue Ordinance amended ..... A423
3.	Section 89 amended (Transitional provisions)..... A423
4.	Section 93 added ..... A425
93.	Reduction of taxes for year of assessment 2010/11 ..... A425
5.	Schedule 3C amended (Elderly residential care expenses deduction) ..... A425
6.	Schedule 4 amended (Allowances) ..... A425
7.	Schedules 22 and 23 added ..... A429
Schedule 22	Transitional Provisions Relating to Provisional Salaries Tax in respect of Year of Assessment 2011/12 ..... A429
Schedule 23	Reduction of Taxes for Year of Assessment 2010/11 ..... A435

---

**HONG KONG SPECIAL ADMINISTRATIVE REGION**

---

**ORDINANCE NO. 9 OF 2011**

L.S.

Henry TANG  
Acting Chief Executive  
16 June 2011

An Ordinance to amend the Inland Revenue Ordinance to give effect to the proposals concerning tax concessions in the Budget introduced by the Government for the 2011–2012 financial year, and to provide for transitional matters.

[17 June 2011]

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Inland Revenue (Amendment) (No. 2) Ordinance 2011.

**2. Inland Revenue Ordinance amended**

The Inland Revenue Ordinance (Cap. 112) is amended as set out in sections 3 to 7.

**3. Section 89 amended (Transitional provisions)**

At the end of section 89—

**Add**

“(7) Schedule 22 has effect in relation to a person liable to pay provisional salaries tax in respect of the year of assessment commencing on 1 April 2011.”.

**4. Section 93 added**

After section 92—

**Add**

**“93. Reduction of taxes for year of assessment 2010/11**

Schedule 23 contains provisions relating to the reduction of salaries tax and tax under personal assessment for the year of assessment commencing on 1 April 2010.”.

**5. Schedule 3C amended (Elderly residential care expenses deduction)**

Schedule 3C—

**Repeal item 1**

**Substitute**

- |   |            |
|---|------------|
| “1. For the years of assessment 1998/99 to 2010/11 inclusive            | \$60,000   |
| 2. For the year of assessment 2011/12 and for each year after that year | \$72,000”. |

**6. Schedule 4 amended (Allowances)**

(1) Schedule 4, subheading—

**Repeal**

“For the year of assessment 2008/09 and for each year after that year”

**Substitute**

“For the years of assessment 2008/09 to 2010/11 inclusive”.

(2) At the end of Schedule 4—

**Add**

“For the year of assessment 2011/12 and  
for each year after that year

	FIRST COLUMN (section)	SECOND COLUMN (the prescribed amount)
1.	Section 28 (basic allowance)	\$108,000
2.	Section 29 (married person's allowance)	\$216,000
3.	Section 30 (dependent parent allowance)—	
	(a) subsection (3)(a)	\$ 36,000
	(b) subsection (3)(b)	\$ 36,000
	(c) subsection (3A)(a)	\$ 18,000
	(d) subsection (3A)(b)	\$ 18,000
	(e) subsection (4)(a)	\$ 12,000
4.	Section 30A (dependent grandparent allowance)—	
	(a) subsection (3)(a)	\$ 36,000
	(b) subsection (3)(b)	\$ 36,000
	(c) subsection (3A)(a)	\$ 18,000
	(d) subsection (3A)(b)	\$ 18,000
	(e) subsection (4)(a)	\$ 12,000
5.	Section 30B(1) (dependent brother or dependent sister allowance)	\$ 30,000

	FIRST COLUMN (section)	SECOND COLUMN (the prescribed amount)
6.	Section 31 (child allowance)—	
	(a) subsection (1)	\$60,000 for each child
	(b) subsection (1A)	\$60,000 for each child
	(c) subsection (5) (in relation to subsection (1))	\$540,000
	(d) subsection (5) (in relation to subsection (1A))	\$540,000
7.	Section 31A(1) (disabled dependant allowance)	\$ 60,000
8.	Section 32(1) (single parent allowance)	\$108,000”.

**7. Schedules 22 and 23 added**

At the end of the Ordinance—

**Add**

**“Schedule 22**

[s. 89(7)]

**Transitional Provisions Relating to Provisional Salaries Tax in respect of Year of Assessment 2011/12**

**1. Interpretation**

In this Schedule—

*current year of assessment* (本課稅年度) means the year of assessment commencing on 1 April 2011;

*preceding year of assessment* (上一課稅年度) means the year of assessment commencing on 1 April 2010.

## 2. Allowances granted for current year of assessment

(1) For the purposes of section 63C(1) of this Ordinance, in calculating the net chargeable income of a person for the preceding year of assessment to ascertain the provisional salaries tax in respect of the current year of assessment—

(a) the reference to “such allowances as are under Part V permitted for that person” in section 12B(1)(b) of this Ordinance; and

(b) the reference to “such allowances as are under Part V permitted in their case” in section 12B(2)(b) of this Ordinance,

are to be construed as allowances that may be granted to that person, or that person and his or her spouse, whichever is applicable, for the current year of assessment under Part V of this Ordinance as amended by the Inland Revenue (Amendment) (No. 2) Ordinance 2011 (9 of 2011).

(2) For the purposes of an application under section 63E(1) of this Ordinance to hold over the payment of provisional salaries tax in respect of the current year of assessment, the reference to “net chargeable income for the year preceding the year of assessment” in section 63E(2)(a) and (b) of this Ordinance is to be construed as the net chargeable income for the preceding year of assessment as calculated in accordance with subsection (1).

**3. Applications for holding over of payment of provisional salaries tax on additional ground**

- (1) Without affecting section 63E of this Ordinance, if in relation to the current year of assessment a person is liable to pay provisional salaries tax, that person may, by notice in writing lodged with the Commissioner, apply to the Commissioner on the ground specified in subsection (3) to have the payment of the whole or part of the tax held over until that person is required to pay salaries tax for the current year of assessment.
- (2) An application under subsection (1) must be made not later than—
  - (a) 28 days before the day by which the provisional salaries tax is to be paid; or
  - (b) 14 days after the date of the notice for payment of provisional salaries tax under section 63C(6) of this Ordinance,whichever is the later.
- (3) The ground specified for the purposes of subsection (1) is that the aggregate amount of the residential care expenses paid or to be paid by the person or his or her spouse, not being a spouse living apart from the person, during the current year of assessment exceeds, or is likely to exceed \$60,000 in respect of a parent or grandparent of the person.
- (4) If the Commissioner is satisfied that it is appropriate to do so, the Commissioner may, either generally or in a particular case, extend the time within which an application may be made under subsection (1).
- (5) On receipt of an application made under subsection (1), the Commissioner must consider the application and may hold over the payment of the whole or part of the provisional salaries tax.

(6) The Commissioner must, by notice in writing, inform the person applying under subsection (1) of the Commissioner's decision.

(7) In this section—

*parent or grandparent* (父母或祖父母) and *residential care expenses* (住宿照顧開支) have the meanings given to them by section 26D(5) of this Ordinance.

---

## Schedule 23

[s. 93]

### Reduction of Taxes for Year of Assessment 2010/11

#### 1. Salaries tax

The amount of salaries tax charged under Part III of this Ordinance for the year of assessment commencing on 1 April 2010 is reduced by an amount equivalent to—

(a) 75% of the amount of the tax as computed under section 13(1) of this Ordinance read together with section 13(2) of this Ordinance; or

(b) \$6,000,

whichever is the lesser.

#### 2. Tax under personal assessment

(1) The amount of tax charged under Part VII of this Ordinance for the year of assessment commencing on 1 April 2010 is reduced by an amount equivalent to—



- (a) 75% of the amount of the tax as computed under section 43(1) of this Ordinance read together with section 43(1A) of this Ordinance; or
  - (b) \$6,000,  
whichever is the lesser.
- (2) For the purposes of section 43(2B) of this Ordinance, in ascertaining the portion of tax to be charged on each spouse in the year of assessment commencing on 1 April 2010, the amount of tax to be apportioned between the husband and wife is the amount as reduced under subsection (1).”.