

A BILL

To

Amend the Inland Revenue Ordinance to give effect to the proposals to reduce the amounts of salaries tax and tax under personal assessment payable for the year of assessment 2008/09 made in the Budget introduced by the Government for the 2009–2010 financial year.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Inland Revenue (Amendment) Ordinance 2009.

2. Section added

The Inland Revenue Ordinance (Cap. 112) is amended by adding—

“91. Reduction of taxes for year of assessment 2008/09

Schedule 19 contains provisions relating to the reduction of salaries tax and tax under personal assessment for the year of assessment commencing on 1 April 2008.”.

3. Schedule 19 added

The following is added—

“SCHEDULE 19

[s. 91]

REDUCTION OF TAXES FOR YEAR OF ASSESSMENT 2008/09

1. Salaries tax

The amount of salaries tax charged under Part III of this Ordinance for the year of assessment commencing on 1 April 2008 is reduced by an amount equivalent to—

(a) 50% 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 2008 is reduced by an amount equivalent to—

(a) 50% 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 2008, the amount of tax to be apportioned between the husband and wife is the amount as reduced under subsection (1).”.

Explanatory Memorandum

The purpose of this Bill is to add a new section 91 and a new Schedule 19 to the Inland Revenue Ordinance (Cap. 112) to give effect to the proposals to reduce the amounts of salaries tax and tax under personal assessment payable for the year of assessment 2008/09 made in the 2009–2010 Budget.