

# A BILL

## To

Amend the Inland Revenue Ordinance to give effect to a proposal concerning tax concessions in the Budget introduced by the Government for the 2019–2020 financial year; to correct a cross-reference in section 14(5) of the Ordinance; and to revise the way of computing the amount of profits tax that may be reduced under section 100(2) of the Ordinance.

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Inland Revenue (Amendment) (Tax Concessions) Ordinance 2019.

**2. Inland Revenue Ordinance amended**

The Inland Revenue Ordinance (Cap. 112) is amended as set out in sections 3, 4 and 5.

**3. Section 14 amended (charge of profits tax)**

Section 14(5)—

**Repeal**

“14B(2)(a)”

**Substitute**

“14B(2)(b)”.

**4. Section 100 amended (reduction of taxes)**

(1) Section 100(2)(a)—

**Repeal**

“14(2)”

**Substitute**

“14(2), (3), (4) and (5)”.

(2) Section 100(2)(a), after “sections”—

**Add**

“14AAC,”.

**5. Schedule 43 amended (reduction of taxes)**

At the end of Schedule 43—

**Add**

“For the year of assessment 2018/19

	Column 1 (section)	Column 2 (prescribed percentage or prescribed amount)
1.	Salaries tax	
	(a) section 100(1)(a)	75%
	(b) section 100(1)(b)	\$20,000
2.	Profits tax	
	(a) section 100(2)(a)	75%
	(b) section 100(2)(b)	\$20,000

	Column 1 (section)	Column 2 (prescribed percentage or prescribed amount)
3.	Tax under personal assessment	
	(a) section 100(4)(a)	75%
	(b) section 100(4)(b)	\$20,000".

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### **Explanatory Memorandum**

The main object of this Bill is to amend the Inland Revenue Ordinance (Cap. 112) (*Ordinance*) to give effect to a proposal concerning tax concessions in the Budget introduced by the Government for the 2019–2020 financial year.

2. Clause 1 sets out the short title.
3. Clause 3 amends section 14(5) of the Ordinance to correct a cross-reference to a provision of the Ordinance.
4. Clause 4 amends section 100(2) of the Ordinance to revise the way of computing the amount of profits tax that may be reduced under that section.
5. Clause 5 amends Schedule 43 to the Ordinance to the effect that, for the year of assessment 2018/19, the salaries tax, profits tax and tax under personal assessment payable are to be reduced by 75%, subject to a maximum of \$20,000 in each case.