

財經事務及庫務局局長



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SECRETARY FOR FINANCIAL
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本函檔號 Our Ref. :

來函檔號 Your Ref. :

8 October 2019

Mr Kenneth Chan
Clerk to Legislative Council
The Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

A handwritten signature in blue ink that reads "Kenneth".

Dear Mr Chan,

**Committee Stage Amendments to
Inland Revenue (Amendment) (Tax Concessions) Bill 2019**

I write to seek the approval of the President of the Legislative Council (LegCo) for the Government to move the attached Committee Stage Amendments (CSAs) to the Inland Revenue (Amendment) (Tax Concessions) Bill 2019 (the Bill) at the LegCo sitting of 23 October 2019.

The 2019/20 Budget proposed to reduce salaries tax, tax under personal assessment and profits tax for the Year of Assessment (YA) 2018/19 by 75% subject to a ceiling of \$20,000. About 2.05 million taxpayers will benefit from a saving of about \$18.9 billion. The Bill serves to give effect to the proposed tax concession. After scrutiny by the LegCo Bills Committee, the House Committee put forth the Bill to the full Council for resumption of second reading on 26 June 2019. Since resumption of second reading did not take place as scheduled, it will take

place at the LegCo sitting of 23 October 2019 as a business carried over from the Council meeting of 26 June 2019.

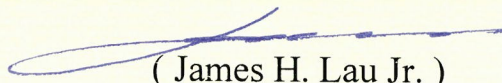
On 15 August 2019, the Financial Secretary announced a package of measures to counter the challenging external and local economic environment. One of the measures is to increase the tax reduction for YA 2018/19 from 75% to 100% while retaining the ceiling of \$20,000. About 1.43 million taxpayers will benefit from a further saving of \$1.84 billion. To implement the enhanced tax reduction, we need to move CSAs to the Bill and amend its long title.

As notice for moving the attached CSAs was not given seven clear days before the resumption of second reading of the Bill scheduled for 26 June 2019 under Rule 57(2) of the Rules of Procedure, we need to seek the President's permission to dispense with the seven-day notice so that the CSAs could be moved at the LegCo sitting of 23 October 2019, to enable the enhanced tax reduction to be implemented as soon as practicable.

The Bills Committee considered the CSAs and raised no objection to them and to the Government's seeking the President's permission to dispense with the seven-day notice. We will invite the House Committee to consider giving support for the Government's seeking the said permission of the President on 11 October 2019.

Should you have any questions, please feel free to contact Miss Helen Chung, Principal Assistant Secretary for Financial Services and the Treasury (Treasury) at 2810 2370.

Yours sincerely,



(James H. Lau Jr.)
Secretary for Financial Services and the Treasury

c.c.

Chairman, House Committee

Chairman, Bills Committee on Inland Revenue (Amendment) (Tax
Concessions) Bill 2019

Inland Revenue (Amendment) (Tax Concessions) Bill 2019

Committee Stage

Amendments to be moved by the Secretary for Financial Services and the Treasury

Clause

Amendment Proposed

- | | |
|------------|--|
| Long title | By deleting “a proposal concerning tax concessions in the Budget introduced by the Government for the 2019–2020 financial year” and substituting “the proposals made by the Government in 2019 to reduce the amounts of salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2018/19”. |
| 5 | By deleting “75%” (wherever appearing) and substituting “100%”. |

《2019 年稅務(修訂)(稅務寬免)條例草案》

委員會審議階段

由財經事務及庫務局局長動議的修正案

條次

建議修正案

詳題

刪去“就 2019 至 2020 財政年度提出的財政預算案中一項關於稅務寬免”而代以“於 2019 年提出的扣減須就 2018/19 課稅年度繳交的薪俸稅、利得稅及個人入息課稅款額”。

5

刪去所有“75%”而代以“100%”。