

**立法會**  
*Legislative Council*

LC Paper No. LS51/20-21

**Paper for the House Committee Meeting  
on 19 March 2021**

**Legal Service Division Report on  
Revenue (Tax Concessions) Bill 2021**

**I. SUMMARY**

- 1. The Bill**

The Bill seeks to amend the Inland Revenue Ordinance (Cap. 112) to give effect to a proposal concerning tax concessions in the Budget introduced by the Government for the 2021-2022 financial year ("Budget"), namely, reducing the salaries tax, profits tax and tax under personal assessment payable for the year of assessment 2020/21 by 100%, subject to a ceiling of \$10,000 in each case.
- 2. Public Consultation**

No formal public consultation on the proposal in the Bill was conducted. However, the Administration has taken into account views received from Legislative Council Members and other stakeholders during the Budget consultation process.
- 3. Consultation with LegCo Panel**

The Panel on Financial Affairs has not been consulted on the Bill.
- 4. Conclusion**

No difficulties relating to the legal and drafting aspects of the Bill have been identified. Subject to Members' views, the Bill is ready for resumption of Second Reading debate.

## **II. REPORT**

The date of First Reading of the Bill is 17 March 2021. Members may refer to the Legislative Council ("LegCo") Brief (File Ref.: TsyB R 183/535-1/4/0 (21-22) (C)) issued by the Financial Services and the Treasury Bureau in March 2021 for further details.

### **Object of the Bill**

2. The object of the Bill is to amend the Inland Revenue Ordinance (Cap. 112) to give effect to a proposal concerning tax concessions in the Budget introduced by the Government for the 2021-2022 financial year ("Budget").

### **Provisions of the Bill**

#### One-off tax reductions for the year of assessment 2020/21

3. The Budget proposes one-off reductions of salaries tax, tax under personal assessment and profits tax for the year of assessment 2020/21 by 100%, subject to a ceiling of \$10,000 in each case.<sup>1</sup> Clause 3 of the Bill seeks to amend Schedule 43 to Cap. 112 to give effect to the proposal.

#### Commencement

4. The Bill, if passed, would come into operation on the day on which it is published in the Gazette as an Ordinance.

### **Public Consultation**

5. According to paragraph 8 of the LegCo Brief, owing to the confidentiality of the Budget, the Administration has not carried out prior consultation for the proposed tax concessions. However, the Administration has formulated the proposal after taking into account views received from LegCo Members and other stakeholders during the Budget consultation process.

### **Consultation with LegCo Panel**

6. As advised by the Clerk to the Panel on Financial Affairs, the Panel has not been consulted on the Bill.

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<sup>1</sup> Paragraphs 27(a) and 33(a) of the 2021-22 Budget Speech by the Financial Secretary moving the Second Reading of the Appropriation Bill 2021.

## **Conclusion**

7. No difficulties relating to the legal and drafting aspects of the Bill have been identified. Subject to Members' views, the Bill is ready for resumption of Second Reading debate.

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17 March 2021