

A BILL

To

Amend the Inland Revenue Ordinance to give effect to certain proposals in the Budget introduced by the Government for the 2023–2024 financial year concerning the increase of child allowance and tax concessions.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Inland Revenue (Amendment) (Child Allowance and Tax Concessions) Ordinance 2023.

2. Inland Revenue Ordinance amended

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

3. Schedule 4 amended (allowances)

(1) Schedule 4, subheading—

Repeal

“year of assessment 2018/19 and for each year after that year”

Substitute

“years of assessment 2018/19 to 2022/23 inclusive”.

(2) At the end of Schedule 4—

Add

“For the year of assessment 2023/24 and
for each year after that year

	First Column (section)	Second Column (the prescribed amount)
1.	Section 28 (basic allowance)	\$ 132,000
2.	Section 28A (personal disability allowance)	\$ 75,000
3.	Section 29 (married person’s allowance)	\$ 264,000
4.	Section 30 (dependent parent allowance)—	
	(a) subsection (3)(a)	\$ 50,000
	(b) subsection (3)(b)	\$ 50,000
	(c) subsection (3A)(a)	\$ 25,000
	(d) subsection (3A)(b)	\$ 25,000
	(e) subsection (4)(a)	\$ 12,000
5.	Section 30A (dependent grandparent allowance)—	
	(a) subsection (3)(a)	\$ 50,000

	First Column (section)	Second Column (the prescribed amount)
	(b) subsection (3)(b)	\$ 50,000
	(c) subsection (3A)(a)	\$ 25,000
	(d) subsection (3A)(b)	\$ 25,000
	(e) subsection (4)(a)	\$ 12,000
6.	Section 30B(1) (dependent brother or dependent sister allowance)	\$ 37,500
7.	Section 31 (child allowance)—	
	(a) subsection (1)	\$130,000 for each child
	(b) subsection (1A)	\$130,000 for each child
	(c) subsection (5) (in relation to subsection (1))	\$1,170,000
	(d) subsection (5) (in relation to subsection (1A))	\$1,170,000
8.	Section 31A(1) (disabled dependant allowance)	\$ 75,000
9.	Section 32(1) (single parent allowance)	\$ 132,000”.

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

At the end of Schedule 43—

Add

“For the year of assessment 2022/23

	Column 1 (section)	Column 2 (prescribed percentage or prescribed amount)
1.	Salaries tax	
	(a) section 100(1)(a)	100%
	(b) section 100(1)(b)	\$6,000
2.	Profits tax	
	(a) section 100(2)(a)	100%
	(b) section 100(2)(b)	\$6,000
3.	Tax under personal assessment	
	(a) section 100(4)(a)	100%
	(b) section 100(4)(b)	\$6,000”.

Explanatory Memorandum

The purpose of this Bill is to amend the Inland Revenue Ordinance (Cap. 112) (*Ordinance*) to give effect to certain proposals in the Budget introduced by the Government for the 2023–2024 financial year concerning the increase of child allowance and tax concessions.

2. Clause 1 sets out the short title.
3. Clause 3 amends Schedule 4 to the Ordinance to the effect that, for a year of assessment commencing on or after 1 April 2023—
 - (a) the allowance and additional allowance granted in respect of each child under section 31(1) and (1A) of the Ordinance are both increased from \$120,000 to \$130,000; and
 - (b) the maximum amounts of those allowances granted to a person are both increased from \$1,080,000 to \$1,170,000.
4. Clause 4 amends Schedule 43 to the Ordinance to the effect that, for the year of assessment commencing on 1 April 2022, the salaries tax, profits tax and tax under personal assessment payable are to be reduced, in each case, by an amount equal to the lesser of the whole amount of the tax and \$6,000.