

## Tax Newsflash



# Hong Kong Tax News

## Passage of 2016/17 Budget Measures

The Inland Revenue (Amendment) (No. 2) Bill 2016 was passed by the Legislative Council on 19 May 2016. The new Ordinance gives effect to the concessionary measures proposed in the 2016/17 Budget, including:

- one-off tax reduction for profits tax, salaries tax and tax under personal assessment by 75%, subject to a ceiling of HK\$20,000 per case
- increasing dependent parent / grandparent allowances
- increasing the deduction ceiling for elderly residential care expenses

The one-off tax reduction will be reflected in the taxpayers' final tax payable for the year of assessment 2015/16. In addition, the Inland Revenue Department will apply the enhanced allowances and deduction ceiling when calculating the provisional tax for the year of assessment 2016/17.

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