

SALARIES TAX

Changes to Allowances and Deductions

	<i>Present</i> (\$)	<i>Proposed</i> (\$)	<i>Increase</i> (\$)	<i>(%)</i>
Personal Allowances:				
Basic	108,000	120,000	12,000	11
Married	216,000	240,000	24,000	11
Single Parent	108,000	120,000	12,000	11
Other Allowances:				
Child:				
1st to 9th child				
Year of birth	120,000	126,000	6,000	5
Other years	60,000	63,000	3,000	5
Dependent Parent/Grandparent:				
Aged 60 or above				
Basic	36,000	38,000	2,000	5.6
Additional allowance (for a dependant living with the taxpayer)	36,000	38,000	2,000	5.6
Aged 55 to 59				
Basic	18,000	19,000	1,000	5.6
Additional allowance (for a dependant living with the taxpayer)	18,000	19,000	1,000	5.6
Dependent Brother/Sister	30,000	33,000	3,000	10
Disabled Dependant	60,000	66,000	6,000	10
Deduction Ceiling:				
Self-Education Expenses	60,000	60,000	—	—
Home Loan Interest (Number of years of deduction)	100,000 (10 years of assessment)	100,000 (15 years of assessment)	—	— (Entitlement period extended by 5 years of assessment)
Approved Charitable Donations	35% of income	35% of income	—	—
Elderly Residential Care Expenses	72,000	76,000	4,000	5.6
Contributions to Recognised Retirement Schemes	12,000	15,000*	3,000	25

* The maximum level of relevant income under the Mandatory Provident Fund Schemes Ordinance will be increased to \$25,000 with effect from 1 June 2012. Hence, the maximum amount of deductible contributions is \$14,500 for the year of assessment 2012-13 and \$15,000 for the year of assessment 2013-14 onwards.