

SALARIES TAX

Changes to Allowances and Deductions

	<i>Present</i> (\$)	<i>Proposed</i> (\$)	<i>Increase</i> (\$) (%)	
Personal Allowances:				
Basic	120,000	120,000	—	—
Married	240,000	240,000	—	—
Single Parent	120,000	120,000	—	—
Other Allowances:				
Child:				
1st to 9th child				
Year of birth	140,000	140,000	—	—
Other years	70,000	70,000	—	—
Dependent Parent/Grandparent:				
Aged 60 or above				
Basic	38,000	40,000	2,000	5
Additional allowance (for a dependant living with the taxpayer)	38,000	40,000	2,000	5
Aged 55 to 59				
Basic	19,000	20,000	1,000	5
Additional allowance (for a dependant living with the taxpayer)	19,000	20,000	1,000	5
Dependent Brother/Sister	33,000	33,000	—	—
Disabled Dependant	66,000	66,000	—	—
Deduction Ceiling:				
Self-Education Expenses	80,000	80,000	—	—
Home Loan Interest (Number of years of deduction)	100,000 (15 years of assessment)	100,000 (15 years of assessment)	—	—
Approved Charitable Donations	35% of income	35% of income	—	—
Elderly Residential Care Expenses	76,000	80,000	4,000	5
Contributions to Recognised Retirement Schemes	15,000	18,000*	3,000	20

* The maximum level of relevant income under the Mandatory Provident Fund Schemes Ordinance will be increased to \$30,000 with effect from 1 June 2014. Subject to the passage of the Inland Revenue (Amendment) (No. 3) Bill 2013 by the Legislative Council (which was introduced by the Government in December 2013), the maximum amount of deductible contributions will be \$17,500 for the year of assessment 2014-15 and \$18,000 for the year of assessment 2015-16 onwards.