

EFFECT OF THE PROPOSED ONE-OFF REDUCTION OF SALARIES TAX, TAX UNDER PERSONAL ASSESSMENT AND PROFITS TAX

Year of Assessment 2016/17

Salaries tax and tax under personal assessment-
75% tax reduction subject to a cap at \$20,000 per case

Assessable Income	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$120,001 to \$200,000	346 000	\$580	75%
\$200,001 to \$300,000	404 000	\$3,280	75%
\$300,001 to \$400,000	310 000	\$8,040	75%
\$400,001 to \$600,000	383 000	\$12,800	58%
\$600,001 to \$900,000	214 000	\$17,700	34%
Above \$900,000	186 000	\$19,970	8%
Total	1 843 000	—	—

Note: As at 31 December 2016, Hong Kong had a working population of 3.82 million.

Profits tax-
75% tax reduction subject to a cap at \$20,000 per case

Assessable Profits	No. of businesses#	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	43 000	\$4,200	75%
\$100,001 to \$200,000	17 000	\$17,170	73%
\$200,001 to \$300,000	11 000	\$20,000	51%
\$300,001 to \$400,000	7 000	\$20,000	36%
\$400,001 to \$600,000	9 000	\$20,000	26%
\$600,001 to \$900,000	8 000	\$20,000	17%
Above \$900,000	37 000	\$20,000	1%
Total	132 000	—	—

Note: As at 31 December 2016, there were 1.22 million registered corporations in Hong Kong.

Including 100 000 corporations and 32 000 unincorporated businesses.