

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

Year of Assessment 2017/18

Salaries tax and tax under personal assessment-
75% tax reduction subject to a cap at \$30,000 per case

Assessable Income	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$200,000 and below	307 000	\$590	75%
\$200,001 to \$300,000	406 000	\$3,010	75%
\$300,001 to \$400,000	314 000	\$7,870	75%
\$400,001 to \$600,000	386 000	\$15,730	70%
\$600,001 to \$900,000	244 000	\$25,070	48%
Above \$900,000	219 000	\$29,880	12%
Total	1 876 000	—	—

Note: As at 31 December 2017, Hong Kong had a working population of 3.96 million.

Profits tax-
75% tax reduction subject to a cap at \$30,000 per case

Assessable Profits	No. of businesses [#]	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	44 000	\$4,170	75%
\$100,001 to \$200,000	19 000	\$17,690	75%
\$200,001 to \$300,000	12 000	\$28,110	72%
\$300,001 to \$400,000	8 000	\$30,000	54%
\$400,001 to \$600,000	10 000	\$30,000	38%
\$600,001 to \$900,000	9 000	\$30,000	26%
Above \$900,000	40 000	\$30,000	1%
Total	142 000	—	—

Note: As at 31 December 2017, there were about 1.26 million corporations and 260 000 unincorporated businesses in Hong Kong.

[#] Including 110 000 corporations and 32 000 unincorporated businesses.