

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

Year of Assessment 2021/22

Salaries tax and tax under personal assessment –
100% tax reduction subject to a cap at \$10,000 per case

Assessable Income	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$200,000 and below	221 000	\$820	100%
\$200,001 to \$300,000	420 000	\$3,630	99%
\$300,001 to \$400,000	364 000	\$6,780	66%
\$400,001 to \$600,000	439 000	\$8,140	39%
\$600,001 to \$900,000	300 000	\$9,250	19%
Above \$900,000	265 000	\$9,870	4%
Total	2 009 000	—	—

Note: As at 31 December 2021, Hong Kong had a working population of 3.68 million.

Profits tax –
100% tax reduction subject to a cap at \$10,000 per case

Assessable Profits	No. of businesses [#]	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	44 000	\$3,860	100%
\$100,001 to \$200,000	20 000	\$10,000	57%
\$200,001 to \$300,000	13 000	\$10,000	37%
\$300,001 to \$400,000	8 000	\$10,000	26%
\$400,001 to \$600,000	11 000	\$10,000	19%
\$600,001 to \$900,000	11 000	\$10,000	13%
Above \$900,000	44 000	\$10,000	0.3%
Total	151 000	—	—

Note: As at 31 December 2021, there were about 1.26 million corporations and 290 000 unincorporated businesses in Hong Kong.

[#] Including 113 000 corporations and 38 000 unincorporated businesses.