

2021-22 BUDGET PROPOSALS

1. COVID-19 SPECIFIC MEASURES

• Super tax reduction

Introduce one-off reduction for Profits tax, Salaries tax and tax under Personal Assessment by 100% subject to a ceiling of **HK\$60,000**

\$20,000 x 3

• Deduct COVID-19 testing costs

Allow deduction on actual testing costs for Salaries Tax and exempt reimbursements by employers from Salaries Tax



3. ENTERPRISES

• Tax losses carried backward and group tax relief

Set off tax losses against back years' assessable profits and introduce group tax relief



• Super tax deduction on IT equipment

Allow a **200%** deduction on IT equipment and related provision costs to encourage investment in the future

200%
200%



2. LIVELIHOOD

• Increase basic/married person's allowance

Increase basic allowance and married person's allowance to **HK\$160,000** and **HK\$320,000** respectively. Widen the tax bands from **HK\$50,000** to **HK\$55,000**



• Deduct rent paid on private housing

Allow deduction for private housing rental payment up to **HK\$100,000** per annum for 20 years



4. REVIEW HONG KONG'S TAX SYSTEM AND POLICY

• Consider digital tax

Explore the introduction of digital tax to increase tax revenue



• Review tax system

Conduct a comprehensive review on existing tax system and study viable options for broadening tax base

