

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

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

Income in 2015-16	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$120,001 to \$200,000	464 000	\$730	75%
\$200,001 to \$300,000	458 000	\$3,900	75%
\$300,001 to \$400,000	306 000	\$8,790	73%
\$400,001 to \$600,000	351 000	\$13,750	54%
\$600,001 to \$900,000	196 000	\$18,400	32%
Above \$900,000	185 000	\$20,000	7%
Total	1 960 000	—	—

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

Profits in 2015-16	No. of businesses#	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	41 000	\$4,400	75%
\$100,001 to \$200,000	17 000	\$17,380	72%
\$200,001 to \$300,000	11 000	\$20,000	50%
\$300,001 to \$400,000	7 000	\$20,000	35%
\$400,001 to \$600,000	9 000	\$20,000	25%
\$600,001 to \$900,000	8 000	\$20,000	17%
Above \$900,000	37 000	\$20,000	1%
Total	130 000	—	—

Including 100 000 corporations and 30 000 unincorporated businesses.