

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

Year of Assessment 2019/20

Salaries tax and tax under personal assessment-
100% 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
\$200,000 and below	319 000	\$740	100%
\$200,001 to \$300,000	436 000	\$3,420	100%
\$300,001 to \$400,000	313 000	\$8,450	97%
\$400,001 to \$600,000	394 000	\$13,380	67%
\$600,001 to \$900,000	258 000	\$17,560	38%
Above \$900,000	230 000	\$20,000	8%
Total	1 950 000	—	—

Note: As at 31 December 2019, Hong Kong had a working population of 3.94 million.

Profits tax-
100% 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	42 000	\$3,480	100%
\$100,001 to \$200,000	16 000	\$15,450	94%
\$200,001 to \$300,000	10 000	\$19,600	74%
\$300,001 to \$400,000	8 000	\$20,000	55%
\$400,001 to \$600,000	10 000	\$20,000	40%
\$600,001 to \$900,000	10 000	\$20,000	27%
Above \$900,000	45 000	\$20,000	1%
Total	141 000	—	—

Note: As at 31 December 2019, there were about 1.27 million corporations and 260 000 unincorporated businesses in Hong Kong.

[#] Including 108 000 corporations and 33 000 unincorporated businesses.