

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

Year of Assessment 2025/26

Salaries tax and tax under personal assessment –
100% tax reduction subject to a cap at \$3,000 per case

Assessable Income	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$200,000 and below	150 000	\$840	100%
\$200,001 to \$300,000	438 000	\$2,260	59%
\$300,001 to \$400,000	385 000	\$2,530	29%
\$400,001 to \$600,000	480 000	\$2,720	14%
\$600,001 to \$900,000	332 000	\$2,830	7%
Above \$900,000	335 000	\$2,930	1%
Total	2 120 000	—	—

Note: In the fourth quarter of 2025, the number of employed persons in Hong Kong was 3.67 million.

Profits tax –
100% tax reduction subject to a cap at \$3,000 per case

Assessable Profits	No. of businesses [#]	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	57 900	\$2,000	52%
\$100,001 to \$200,000	19 300	\$3,000	19%
\$200,001 to \$300,000	11 700	\$3,000	11%
\$300,001 to \$400,000	8 500	\$3,000	8%
\$400,001 to \$600,000	11 800	\$3,000	6%
\$600,001 to \$900,000	11 400	\$3,000	4%
Above \$900,000	50 200	\$3,000	0.1%
Total	170 800	—	—

Note: As at 31 December 2025, there were about 1.39 million corporations and 261 000 unincorporated businesses in Hong Kong.

[#] *Including 130 300 corporations and 40 500 unincorporated businesses.*