

**Proposed adjustments to allowances and deduction ceiling under
salaries tax and tax under personal assessment**

2025 Policy Address

Proposed measure	Estimated annual revenue forgone	Estimated number of beneficiaries
Extending the claim period of additional child allowance for newborns from one year to two years	\$300 million	16 000 taxpayers

2026-27 Budget

Allowance/Deduction ceiling	Current amount (\$)	Proposed amount (\$)	Increase (\$)	Estimated annual revenue forgone	Estimated number of beneficiaries
Basic allowance	132,000	145,000	13,000	\$3,560 million	2.09 million taxpayers
Married person's allowance	264,000	290,000	26,000		
Single parent allowance	132,000	145,000	13,000		
Child allowance : Basic	130,000	140,000	10,000	\$680 million ¹	360 000 taxpayers ¹
: Additional	130,000	140,000	10,000		
Dependent parent/grandparent allowance				\$970 million	830 000 taxpayers
- Aged 60 or above, or eligible to claim an allowance under the Government's Disability Allowance Scheme	50,000	55,000	5,000		
- Aged 55 to 59	25,000	27,500	2,500		
Additional allowance for residing with dependent parent/grandparent continuously throughout the whole year					

¹ The estimated revenue forgone and number of beneficiaries have assumed the claim period of additional child allowance to be two years.

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- Aged 60 or above, or eligible to claim an allowance under the Government's Disability Allowance Scheme	50,000	55,000	5,000		
- Aged 55 to 59	25,000	27,500	2,500		
Deduction ceiling for elderly residential care expenses	100,000	110,000	10,000		