

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

Year of Assessment 2023/24

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	187 000	\$770	100%
\$200,001 to \$300,000	391 000	\$2,230	57%
\$300,001 to \$400,000	373 000	\$2,560	27%
\$400,001 to \$600,000	474 000	\$2,720	13%
\$600,001 to \$900,000	335 000	\$2,850	6%
Above \$900,000	303 000	\$2,910	1%
Total	2 063 000	—	—

Note: In the fourth quarter of 2023, the number of employed persons in Hong Kong was 3.71 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	49 700	\$2,000	46%
\$100,001 to \$200,000	20 500	\$3,000	18%
\$200,001 to \$300,000	11 800	\$3,000	11%
\$300,001 to \$400,000	8 200	\$3,000	8%
\$400,001 to \$600,000	11 400	\$3,000	6%
\$600,001 to \$900,000	10 900	\$3,000	4%
Above \$900,000	47 700	\$3,000	0.1%
Total	160 200	—	—

Note: As at 31 December 2023, there were about 1.3 million corporations and 287 000 unincorporated businesses in Hong Kong.

Including 121 800 corporations and 38 400 unincorporated businesses.