

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

Year of Assessment 2024/25

Salaries tax and tax under personal assessment –
100% tax reduction subject to a cap at \$1,500 per case

Assessable Income	No. of taxpayers	Average amount of tax reduction	Average % of tax reduced
\$200,000 and below	158 000	\$700	90%
\$200,001 to \$300,000	421 000	\$1,290	32%
\$300,001 to \$400,000	384 000	\$1,350	15%
\$400,001 to \$600,000	486 000	\$1,390	7%
\$600,001 to \$900,000	347 000	\$1,430	3%
Above \$900,000	344 000	\$1,460	1%
Total	2 140 000	—	—

Note: In the fourth quarter of 2024, the number of employed persons in Hong Kong was 3.72 million.

Profits tax –
100% tax reduction subject to a cap at \$1,500 per case

Assessable Profits	No. of businesses#	Average amount of tax reduction	Average % of tax reduced
\$100,000 and below	54 900	\$1,160	28%
\$100,001 to \$200,000	20 000	\$1,500	9%
\$200,001 to \$300,000	11 800	\$1,500	6%
\$300,001 to \$400,000	8 200	\$1,500	4%
\$400,001 to \$600,000	11 600	\$1,500	3%
\$600,001 to \$900,000	11 000	\$1,500	2%
Above \$900,000	47 900	\$1,500	0.05%
Total	165 400	—	—

Note: As at 31 December 2024, there were about 1.31 million corporations and 270 000 unincorporated businesses in Hong Kong.

Including 125 800 corporations and 39 600 unincorporated businesses.