

# Hong Kong Salaries Tax at a glance



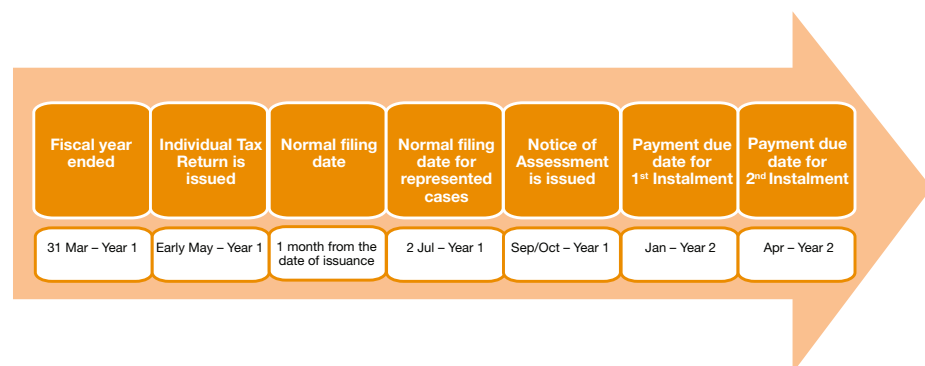
## 1. Common allowances\* HK\$

Basic allowance	132,000
Married person's allowance	264,000
Child allowance (for each dependent) the 1st to 9th child	120,000
For each child born during the year, the Child allowance will be increased by	120,000
Other available allowances: dependent brother or sister allowance, additional/dependent parent and dependent grandparent allowance, single parent allowance, disabled dependent allowance, personal disability allowance	

## 2. Common deductions – maximum limits\* HK\$

Mandatory contributions to recognised retirement schemes	18,000
Approved charitable donations	35%
[(income – allowable expenses – depreciation allowances) x percentage]	
Other available deductions: home loan interest, expenses of self-education, expenses of elderly residential care	

## 3. Typical timeline



## 4. Sample salaries tax calculation\* HK\$

Tax payable is calculated at progressive rates on your net chargeable income or at standard rate on your net income (before deduction of the allowances), whichever is lower. For the year 2017/18, the tax may be further reduced by a one-off reduction of 75%, subject to a ceiling of HK\$30,000 per case.

HK\$	Tax payable	HK\$
Employment income	Tax at progressive rate	1,000
Quarters-Flat	first 50,000@2%	3,000
	next 50,000@6%	5,000
	next 50,000@10%	7,000
	next 50,000@14%	159,460
	remaining@17%	175,460
Less: MPF deduction		
Net Income		175,460
Less: Married person's allowance		
Child allowance		
Net chargeable income	Tax at standard rate	228,300
	1,522,000@15%	

Therefore, tax payable is HK\$175,460 (lower of standard vs. progressive rate).  
 \*Based on prevailing information for year of assessment 2018/19.

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