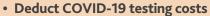


2021-22 BUDGET PROPOSALS

1. COVID-19 SPECIFIC MEASURES

• Super tax reduction
Introduce one-off reduction for
Profits tax, Salaries tax and tax
under Personal Assessment by 100% subject to a ceiling
of HK\$60,000





Allow deduction on actual testing costs for Salaries Tax and exempt reimbursements by employers from Salaries Tax

3. ENTERPRISES

 Tax losses carried backward and group tax relief
 Set off tax losses against back years' assessable profits and introduce group tax relief



• Super tax deduction on IT equipment



Allow a **200%** deduction on IT equipment and related provision costs to encourage investment in the future



2. LIVELIHOOD

 Increase basic/married person's allowance Increase basic allowance and married person's allowance to HK\$160,000 and HK\$320,000 respectively. Widen the tax bands from HK\$50,000 to HK\$55,000



• Deduct rent paid on private housing



Allow deduction for private housing rental payment up to **HK\$100,000** per annum for 20 years

4. REVIEW HONG KONG'S TAX SYSTEM AND POLICY

Consider digital tax
 Explore the introduction of digital tax to increase tax revenue



Review tax system



Conduct a comprehensive review on existing tax system and study viable options for broadening tax base

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