

P6 HKG

TAX RATES AND ALLOWANCES – JUNE AND DECEMBER 2014

The following 2013/14 tax rates and allowances are to be used in answering the questions.

Profits tax rates

Companies	16.5%
Unincorporated business	15%

Salaries tax rates

First \$40,000	2%
Next \$40,000	7%
Next \$40,000	12%
On the remainder	17%
Standard rate	15%

Allowances

	\$
Basic allowance	120,000
Married person's allowance	240,000
Single parent allowance	120,000
Child allowance – 1 st to 9 th child (each)	70,000
– additional allowance in the year of birth (each)	70,000
Dependent parent / grandparent allowance – basic	19,000/38,000
– additional	19,000/38,000
Dependent brother / sister allowance	33,000
Disabled dependant allowance	66,000

Depreciation allowance rates

Initial allowance:	
Plant and machinery	60%
Industrial buildings	20%
Annual allowance:	
Computers	30%
Motor cars	30%
Furniture and fixtures	20%
Machines	10% – 30%
Industrial buildings	4% or formula
Commercial buildings	4% or formula

Stamp duty rates

Share transfers		0.2% + \$5
Conveyances (ignoring marginal reliefs)		
Not exceeding \$2,000,000		\$100
Not exceeding \$3,000,000		1.5%
Not exceeding \$4,000,000		2.25%
Not exceeding \$6,000,000		3%
Not exceeding \$20,000,000		3.75%
Exceeding \$20,000,000		4.25%
Conveyances chargeable with special stamp duty		
Holding period		
Not exceeding six months		15%
Between six and 12 months		10%
Between 12 and 24 months		5%
Leases		
(a) Key money, construction fee etc. only	As for conveyances (above)	
(b) Rent only (as a percentage of the average yearly rent)		
Undefined term		0.25%
Not exceeding one year		0.25%
Not exceeding three years		0.5%
Exceeding three years		1%
(c) Key money, construction fee etc. and rent		
Key money, construction fee etc.	4.25% of the consideration	
Rent	As for rent-only lease (above)	