

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)