



2024/25 Government Budget

**Subsidies, waivers, tax measures and
financing schemes**

1. Tax measures

Tax Measures

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| ✓ Profits tax and salaries tax reliefs | Reduce profits tax and salaries tax for 2023/24 by 100%, subject to a HK\$3,000 ceiling. The proposed tax reduction is not applicable to property tax. Nevertheless, individuals with rental income, if eligible for personal assessment, may be able to enjoy such a reduction under personal assessment. |
| ✓ Two-tiered standard rates regime for salaries tax and tax under personal assessment | <p>A two-tiered standard rates regime for salaries tax and tax under personal assessment has been proposed to be implemented starting from the year of assessment 2024/25.</p> <ul style="list-style-type: none">• 15% standard rate for the first \$5 million of net income• 16% for the remainder |

1. Tax measures

Tax Measures

✓ Stamp duty

- Starting from 28 February 2024, no Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD) or Ad Valorem Stamp Duty (AVD) at 7.5 per cent under Part 1 of Scale 1 needs to be paid for any residential property transactions.
- Propose to waive stamp duties payable on the transfer of real estate investment trust units and the jobbing business of option market-makers.

✓ Intellectual Property Trading

Introduce legislative proposal to implement “patent box” tax incentive. Profits tax rate to be reduced to 5% for profits derived from qualifying IP.

1. Tax Measures

Tax Measures

✓ Profits tax - deductions

Remove the time limit for claiming allowances for industrial buildings, commercial buildings and structures.

Grant tax deduction for expenses incurred in reinstating the condition of the leased premises to their original condition.

✓ Global minimum effective tax rate on MNC

Continue to take forward to apply the 15% global minimum effective tax rate on large multinational enterprise groups and implement the domestic minimum top-up tax starting from 2025 onwards.

3. Rates system and concessions

Rates system and concessions

✓ Rates system

Provide rate concessions for

- non-domestic properties for the two quarters of 2023/24, subject to a ceiling of HK\$1,000 per quarter.
- for domestic properties for the two quarters of 2023/24, subject to a ceiling of HK\$1,000 per quarter.

✓ Progressive system

A progressive rating system for domestic properties with rateable valuable above HK\$550,000 will be introduced starting from the 4th quarter of 2024-25.

5. Other duties and charges

Other duties and charges

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|------------------------------|--|
| ✓ Business registration fees | Increase business registration fees by \$200 to \$2,200 per annum with effect from April 1, 2024, and waive the business registration levy of \$150 for two years. |
| ✓ Hotel accommodation tax | Resume the collection of the hotel accommodation tax at a rate of 3 per cent with effect from January 1, 2025. |

Contact

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