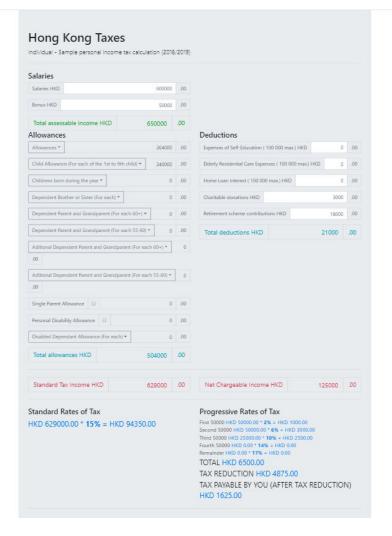
Hong Kong Taxes

Individual - Sample personal income tax calculation (2018/2019)

Example

- The individual is a married person with two children both below age 18.
- The individual's wife is not working and the two children are maintained by the individual.
- The total assessable income of the individual consists of salaries of HKD 600,000 and year-end bonus of HKD 50,000.
- The individual made contributions of HKD 18,000 to an MPF scheme during the year.
- The individual made qualified charitable donations of HKD 3,000 during the year.



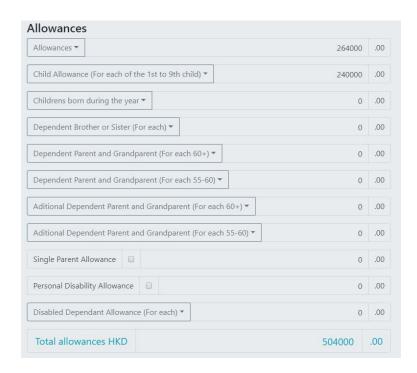
1. Step: Set salaries and bonuses by current year



Set salaries and bonuses by current year. In this example we have total assessable income of the individual consists of salaries of HKD 600,000 and year-end bonus of HKD 50,000.

2. Step: Set allowances

You need to set available tax allowances like low age children's, disabilities parents etc. In this section sum of selected allowances will be calculated automatically.



2.1 Step: Set married or single



In this example: the individual is a married person.
Allowance sum will be calculated automatically after select

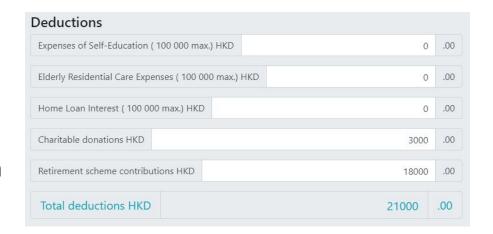
2.3 Step: Set children info



In this example: we have two children both below age 18. Allowance sum will be calculated automatically after select

3. Step: Set deductions

You need to set available tax deductions like Education,
Donations and Mandatory
Contributions to Recognized
Retirement Schemes. In this section you need set sum of selected deductions by hand.

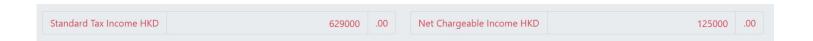


3.1 Step: Set deductions



In this example: the individual made contributions of HKD 18,000 to an MPF scheme and made qualified charitable donations of HKD 3,000 during the year. Set this values by hand.

4. Step: Net chargeable income



Net chargeable income will be calculated automatically by information above for two types of tax calculation.

- 1. For standard tax calculation (15%)
- 2. For progressive tax (2%-17%)

5. Step: Results

Standard Rates of Tax

HKD 0.00 * **15%** = HKD 0.00

Progressive Rates of Tax

First 50000 HKD 0.00 * **2**% = HKD 0.00 Second 50000 HKD 0.00 * **6**% = HKD 0.00 Third 50000 HKD 0.00 * **10**% = HKD 0.00 Fourth 50000 HKD 0.00 * **14**% = HKD 0.00 Remainder HKD 0.00 * **17**% = HKD 0.00

TOTAL HKD 0.00

TAX REDUCTION HKD 0.00

TAX PAYABLE BY YOU (AFTER TAX REDUCTION) HKD 0.00

Results will be calculated automatically by information above for two for two types of tax calculation.

References

- 1. https://www.gov.hk/en/residents/taxes/etax/services/tax_computation.htm#TaxComputation
- 2. https://www.gov.hk/en/residents/taxes/taxfiling/taxrates/salariesrates.htm#pr
- 3. https://www.ird.gov.hk/eng/pdf/pam61e.pdf
- 4. http://taxsummaries.pwc.com/ID/Hong-Kong-Individual-Sample-personal-income-tax-calculation
- 5. https://www.ird.gov.hk/eng/ese/st comp 2018 19 budget/stcfrm.htm