



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.

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

Salaries

Salaries HKD 600000 .00

Bonus HKD 50000 .00

Total assessable income HKD 650000 .00

Allowances

Allowances * 264000 .00

Child Allowance (For each of the 1st to 9th child) * 240000 .00

Children born during the year * 0 .00

Dependent Brother or Sister (For each) * 0 .00

Dependent Parent and Grandparent (For each 60+) * 0 .00

Dependent Parent and Grandparent (For each 55-60) * 0 .00

Additional Dependent Parent and Grandparent (For each 60+) * 0 .00

Additional Dependent Parent and Grandparent (For each 55-60) * 0 .00

Single Parent Allowance 0 .00

Personal Disability Allowance 0 .00

Disabled Dependant Allowance (For each) * 0 .00

Total allowances HKD 504000 .00

Deductions

Expenses of Self-Education (100 000 max.) HKD 0 .00

Elderly Residential Care Expenses (100 000 max.) HKD 0 .00

Home Loan Interest (100 000 max.) HKD 0 .00

Charitable donations HKD 3000 .00

Retirement scheme contributions HKD 18000 .00

Total deductions HKD 21000 .00

Standard Tax Income HKD 629000 .00

Net Chargeable Income HKD 125000 .00

Standard Rates of Tax

HKD 629000.00 * 15% = HKD 94350.00

Progressive Rates of Tax

First 50000 HKD 50000.00 * 2% = HKD 1000.00

Second 50000 HKD 50000.00 * 6% = HKD 3000.00

Third 50000 HKD 25000.00 * 10% = HKD 2500.00

Fourth 50000 HKD 0.00 * 14% = HKD 0.00

Remainder HKD 0.00 * 17% = HKD 0.00

TOTAL HKD 6500.00

TAX REDUCTION HKD 4875.00

TAX PAYABLE BY YOU (AFTER TAX REDUCTION)

HKD 1625.00



1. Step: Set salaries and bonuses by current year

Salaries		
Salaries HKD	<input type="text" value="600000"/>	<input type="text" value=".00"/>
Bonus HKD	<input type="text" value="50000"/>	<input type="text" value=".00"/>

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.

Allowances		
Allowances ▼	264000	.00
Child Allowance (For each of the 1st to 9th child) ▼	240000	.00
Childrens born during the year ▼	0	.00
Dependent Brother or Sister (For each) ▼	0	.00
Dependent Parent and Grandparent (For each 60+) ▼	0	.00
Dependent Parent and Grandparent (For each 55-60) ▼	0	.00
Additional Dependent Parent and Grandparent (For each 60+) ▼	0	.00
Additional Dependent Parent and Grandparent (For each 55-60) ▼	0	.00
Single Parent Allowance <input type="checkbox"/>	0	.00
Personal Disability Allowance <input type="checkbox"/>	0	.00
Disabled Dependand Allowance (For each) ▼	0	.00
Total allowances HKD	504000	.00

2.1 Step: Set married or single



The screenshot shows a section titled "Allowances" on a light gray background. A dark gray button labeled "Allowances" with a downward arrow is on the left. To its right is a table with three rows. The first row has a value of "264000" and ".00". The second row has a value of "240000" and ".00". The third row has a value of "0" and ".00". A white dropdown menu is open from the "Allowances" button, showing three options: "Basic Allowance", "Married Person's Allowance" (which is highlighted in yellow), and "Childrens born during the year".

Allowance Type	Amount	Rate
Basic Allowance	264000	.00
Married Person's Allowance	240000	.00
Childrens born during the year	0	.00

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

2.3 Step: Set children info

Child Allowance (For each of the 1st to 9th child) ▼		240000	.00
-	g the year ▼	0	.00
1			
2	or Sister (For each) ▼	0	.00
3			

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.

Deductions

Expenses of Self-Education (100 000 max.) HKD	0	.00
Elderly Residential Care Expenses (100 000 max.) HKD	0	.00
Home Loan Interest (100 000 max.) HKD	0	.00
Charitable donations HKD	3000	.00
Retirement scheme contributions HKD	18000	.00
Total deductions HKD	21000	.00



3.1 Step: Set deductions

Charitable donations HKD	<input type="text" value="3000"/>	<input type="text" value=".00"/>
Retirement scheme contributions HKD	<input type="text" value="18000"/>	<input type="text" value=".00"/>

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

Standard Tax Income HKD	629000	.00	Net Chargeable Income HKD	125000	.00
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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