

Inland Revenue (Amendment) (No. 4) Bill 2018
Debate and voting arrangements

Object of the Bill : To amend the Inland Revenue Ordinance (Cap. 112) to introduce a new concessionary deduction concerning salaries tax and tax under personal assessment that may be allowed for premiums paid in respect of insurance plans certified to be in compliance with the Government’s Voluntary Health Insurance Scheme (“VHIS”); and to provide for related and transitional matters.

First debate	: Clauses with no amendment	–	Clauses 1 to 7, 11 and 13
Voting	: To vote on the above clauses standing part of the Bill		
Second debate	: Clauses with amendments proposed by the Secretary for Food and Health (“SFH”)	–	Clauses 8, 9, 10, 12 and new clauses 8A and 8B
Joint debate on the original clauses and the amendments thereto, and the new clauses			
Debate theme	: Amendments to certain matters		
Clause 8			
- To amend the definition of “sibling” in the proposed section 26J(4) under clause 8 of the Bill to cover: (a) an individual who is adopted by the taxpayer’s (or the spouse’s) parents; and (b) a natural child of an adoptive parent of the taxpayer (or the spouse) if the taxpayer (or the spouse) is himself or herself an adopted child.			
Clauses 9 and 10			
- In view of the passage of the Inland Revenue (Amendment) (No. 6) Bill 2017 ¹ , to make consequential amendments to the proposed sections 80 and 82A under clauses 9 and 10 of the Bill to specify the penalty and additional tax in lieu of prosecution for a failure to comply with the proposed section 26M(3)(a) (i.e. failure to notify the Commissioner of Inland Revenue in writing of a refund of qualifying premiums under a VHIS policy within three months after the date of refund).			
Clause 12 and new clauses 8A and 8B			
- In view of the new provisions under sections 63CA and 63E of Cap. 112 introduced by the Inland Revenue (Amendment) Bill 2018 ² to provide standing provisions for computing provisional salaries tax and holding over of payment of provisional salaries tax to facilitate the introduction of concessionary measures in future, to add new clauses 8A and 8B to amend sections 63CA and 63E of Cap. 112 to cover the new concessionary deduction in respect of VHIS, and include the corresponding references to 63CA and 63E next to the heading of the proposed Schedule 3E under clause 12 of the Bill.			

¹ The Inland Revenue (Amendment) (No. 6) Bill 2017 was passed at the Council meeting of 4 July 2018.

² The Inland Revenue (Amendment) Bill 2018 was passed at the Council meeting of 16 May 2018.

Order of voting :	To first vote on the above amendments (excluding the new clauses) together, and then vote on the original clauses or the clauses as amended standing part of the Bill; and
	The new clauses be read the second time and added to the Bill.

SFH's amendments

(set out in LC Paper No. CB(3) 26/18-19 issued on 12 October 2018)

Council Business Division 3
Legislative Council Secretariat
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