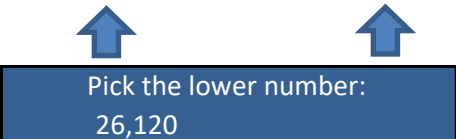


David has annual salary of \$900,000. He is married with two kids. What is the salaries tax?

		Progressive rates	Standard rate
		HK\$	HK\$
David annual salary		\$ 900,000	\$ 900,000
Personal allowance		\$ (132,000)	
Married person allowance		\$ (132,000)	
First child allowance		\$ (100,000)	
Second child allowance		\$ (100,000)	
		<u>\$ 436,000</u>	
First HK\$50,000	\$ 50,000	2% \$ 1,000	
Second HK\$50,000	\$ 50,000	6% \$ 3,000	
Third HK\$50,000	\$ 50,000	10% \$ 5,000	
Fouth HK\$50,000	\$ 50,000	14% \$ 7,000	
Balance	\$ 416,000	17% \$ 40,120	x 15%
		<u>\$ 56,120</u>	<u>\$ 135,000</u>
Special 75% concession granted by government but cap at \$30,000		\$ (30,000)	\$ (30,000)
		<u>\$ 26,120</u>	<u>\$ 105,000</u>



Pick the lower number:
26,120

Conclusion:

Given David got salary of \$900,000, his salaries tax is only \$26,120.

The effective tax rate is only 2.9%