

## Couple given jail and suspended sentence with fine respectively for tax evasion

A couple were convicted of tax evasion today (March 5) at the Eastern Magistrates' Courts. The first defendant was sentenced to three months' imprisonment and fined \$338,068 (equivalent to 200 per cent of the tax evaded). The second defendant was sentenced to three months' imprisonment, suspended for three years, and fined \$405,300 (equivalent to 200 per cent of the tax evaded).

The first defendant pleaded guilty to seven charges of evading tax wilfully with intent, which comprised six counts of omitting or understating rental income obtained from six subdivided units of a residential property in his tax returns for the years of assessment 2014/15 to 2019/20 and one count of giving false answers in writing to the Inland Revenue Department (IRD)'s request for rental information for the years of assessment 2014/15 to 2016/17. The total rental income omitted and understated was \$1,412,537, and the tax involved was \$169,034.

The second defendant, the first defendant's wife, pleaded guilty to six charges of evading tax wilfully with intent, which comprised five counts of omitting rental income obtained from six subdivided units of a residential property and a car parking space in her tax returns for the years of assessment 2015/16 to 2019/20 and one count of giving false answers in writing to the IRD's request for rental information for the years of assessment 2015/16 and 2016/17. The total rental income omitted was \$1,701,075, and the tax involved was \$202,650.

They were in contravention of section 82(1)(a) and 82(1)(e) of the Inland Revenue Ordinance (IRO) (Cap. 112).

A spokesman for the IRD reminded taxpayers that tax evasion is a criminal offence under the IRO. Upon conviction, the maximum penalty for each charge is three years' imprisonment and a fine of \$50,000, plus a further fine of three times the amount of tax evaded.