



To: taxreform@fstb.gov.hk
cc:
Subject: Opinion concerning tax reform

2006/07/18 02:11 PM

☐ Urgent
☐ Return Receipt

Dear sir/madam,

I am a business fresh graduate from HKUST and I have never felt such strongly with any government policy before but this is absolute absurdity and I was so confident that the government couldn't be serious with this because it is doing nobody good but everybody harm. Oh boy how I was wrong.

1. I think that they are pretty selfish in coming up with this policy because they would be better off doing their public spending planning over the horizon with less impact by the downturn of economy. If the income stream of govt is more or less made constant due to the sales tax then we only need an idiot to do the expenditure planning. They just dun want to do their job. It's that simple. Contradict me but the problem can be solved by as simple as saving up while the economy is good and use the savings while its bad.

2. Estate duty abolished. Business registration and driving license service waived. How about public hospital and schooling? Yes, they are taxed. Tell me, what sense does that make? They just try to trample and stamp and squash the poor ppl till they all die, isn't it?

3. 10Billion (100--) would be spent in administration and collection of GST. How about the dead weight loss to the economy, which cannot be measured but certainly much larger in amount? No matter what HK ppl have to collectively -- these 100-- of administration fee which is equivalent to raising the corp/income (i forgot which) tax rate by 1%. Don't forget the loss in tourism income and other administration fee incurred by individual companies. I dare say the ONLY people who benefit from it are accountants. Those who think GST can benefit them are, pardon my language, brainless. No matter how the govt says the income/corp tax rate can be lowered, it can never compensate the loss because a lot of money goes to accountants already. PLUS, lowering income/corp tax rate means nothing for the poor families. \$2000 subsidy per year for each family receiving ----, I dunno what I can say. The rest such as widening income gap, social unrest, worse crime rates naturally follow.

4. The introduction of the GST in 2 to 3 years would most likely coincide with economic downturn according to normal economic cycle. It is very unlikely that this policy will win your any support from anyone then.

As much as I love Hong Kong, I would seriously consider leaving it if the govt continues to have more insane policies like this. This is not about myself, I paid 15% tax in Canada for four months and I felt nothing about it. Hong Kong, I sincerely weep for you.

Thank you for reading through this and I would pray for the future of Hong Kong. Live it and love it, please.

Yours faithfully
Freda Ho