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cc:

Subject:

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☐ Urgent

☐ Return Receipt

For a taxpayer, I am 100% against the implementation of GST.

I understand the tax base is very narrow. But taxing even the non-income group are hardly seems to be a fair deal to me. On the other hands, making the lower income group to pay a small amount of tax is not such a bad idea. After everyone should contribute to the society even it is a token amount. Then, the tax base will be immediately raises to cover 3 million+ income earners.

Besides, the benefits of GST is very unclear. It is unclear for the government. Would it dampens household spending? Would domestic consumptions be shifted out of the border? Would the administration and tax avoidance expenses be too high? It is also unclear to the taxpayers. If the government aims to collect the same level of taxes, the higher income group should have tax relief. However, if the social and economic costs are too high. No one will see the money going into his bank. And who is making the government to reduce taxes for the high income group anyway. The government does lost some trusts during the last tax hike.

The HK government has a history of easy expansion but difficult cut down of expenditure. But the government should not solely rely on current year income. So taking out from the reserves is not a bad thing. And maybe cutting back on non-essential expenditure is not a bad idea either. And with more proactive investment strategy, government should have means to manage it cash flows - as every household needs to.

The government also has a history of dipping in taxpayers' pockets during downturns. After introducing the GST platform, what is stopping the government to increase the GST rate? Look at the Singapore experiences, rates increased from 0% to 3% and then to 5%.