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To: taxreform@fstb.gov.hk

cc:

Subject: Absurd Tax Reform

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Urgent

Return Receipt

My views are as follows:

We are a group of middle-class citizens in our late 40s or 50s. **We think this proposed tax reform is totally absurd.** During the economic downturn from 1997- 2004, many of us (who had high income then), had been either laid-off due to downsizing of businesses or forced to opt for voluntary retirement by their supervisors in government-subsidized organisations because of tight budget from the government. Since then, we had difficulty in finding jobs because of our age. Now with your so-called tax reform, you are offering less income tax which is useless to us because we either are jobless or are earning very little. This would even become much more meaningless in a few years time because by then, we would be around 55 and have to retire and we would have no income at all. **We won't even have to pay any income tax anyway.**

I hope you know the biggest group of the population belongs to this 40-50 group because of the baby boom after 1945 and most of us are facing retiring age. We won't have much income and now you want to increase our expenditure by introducing the sales tax. We cannot benefit from your so-called income tax cut. Do you think it is fair to us as HK citizens?

As to sales tax for businesses, you propose only those businesses with \$5m income have to register. This would mean small-sized professional law firms, accounting firms, which originally have less business would get more business but medium-sized firms would get less customers because they have to levy sales tax to customers and customers would therefore like to go to small firms. **Do you think this is fair? You said there will be income tax cut for the firms registered with you. If their income is getting less and less, how can they benefit from the tax cut? They do not have to pay much tax with so little business!!!**

I think you need to care not only about the welfare of poor people but also those who are middle-class and in their 40s and 50s and had worked hard all their lives but were laid-off due to the above reasons.