



05/09/2006 18:03

- Urgent
 Return Receipt

To: taxreform@fstb.gov.hk
cc:
Subject: Comments on Consultation Document in respect of "Broadening the Tax Base, Ensuring our Future Prosperity, What's the Best Option for Hong Kong?"

Dear Sir,

I am an accountant and a member of HKICPA, I would like to express my comment regarding the tax reform.

First of all, **I agree to implement GST in Hong Kong.** However, I have some other comments as follows:

1. I agree to use the revenue collected from GST for deduction in Salaries Tax (mostly) and Profits Tax, but not for the increment of the public expenditure. As it should be used as a tax relief, especially for those middle-class.
2. I disagree to have cash relief to low-income household. I don't think the higher-income household has no responsibility to compensate the low-income household as we all enjoy the resources of the community, no matter we are wealthy or not. It is not fair for the higher-income household.
3. Why the GST rate is 5%? I think a more moderate rate (e.g.3%) is more appropriate for first implementation, then adjustable in the following year.

Thanks for your spending your time for my comment.

Best regards,
Florence Chan