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☐ Urgent☐ Return Receipt

To: <taxreform@fstb.gov.hk>

cc:

Subject: Objection for GST

GST is a tax on consumption. It will increase burden on the "middle class Retired persons" because they only have consumption but no income. The compensation options of profits tax / salaries tax reduction and additional cash allowance to the poor cannot benefit to these "middle class retired persons", it's not fair to them. Therefore, I do not agree to introduce GST.

I suggestion to do the following in order to increase the taxation amount:

1. Abolish Housing accommodation benefit in Salaries tax

A person cannot claim deduction on the housing accommodation expenses if it is his own consumption. But if this expenses is paid by his company direct to Landlord, then he can gain the tax benefit by only calculation on 10% of his assessable income. Usually a company only offer this benefit to top management level staff. So it is a tax benefit to high income group and it's not fair to those who do not have this benefit and need to pay rent by themselves.

2. Abolish Holiday travel allowance in Salaries tax

A person cannot claim deduction on the holiday travel expenses if it is his own consumption. But if this expenses is paid by his company direct to Travel Agency, then he do not need to pay any tax on this benefit. Usually a company only offer this benefit to top management level staff. So it is a tax benefit to high income group and it's not fair to those who do not have this benefit and need to pay this expenses by themselves.

I don't understand the background for introducing the above benefit and allowance which are not a fair to all the tax payer in Hong Kong. I think the housing accommodation and holiday travel expenses should be a cash benefit of a person no matter these payment are made by his company or by a person himself.

3. Increase the tax duty on luxury goods.

Best regards
Josephine Li