



To: taxreform@fstb.gov.hk

cc:

Subject: my suggestion for tax reform

19/09/2006 18:34

☐ Urgent

☐ Return Receipt

Dear Sir,

My name is Michael Tang, I'm just writing to you to express my suggestion for tax reform. Firstly, I want to appreciate the bravery of the financial secretary and the chief executive in standing up for the tax reform regardless the negative effect in the political aspect.

I'm currently working in Australia, where the GST is not only successful, but is more higher than what Hong Kong government purposed. I think the main reason is that when you implement any extra tax, you need to decrease others. I'm sure most of the Hong Kong population will be in working class and they surely want to have their salary or income tax to be cut. If the government consider to cut down salary and company tax, I think most of the working class and companies will probably like to have 5% GST, which in terms can broaden the tax base. I think Hong Kong public will like the public in here, after implement the GST, they probably get use to the the tax. Otherwise, if the public really object to the GST, I think alternatively can implement some tax like expensive goods tax, which only apply to certain products or service which exceed the threshold price. I think this will not attract such enormous objections.

I also want to suggest the implement of a small amount of health service tax, so that can cover the health cost. Such tax is already implement in Australia (medical Levy) and is for a while. I think this can be encourage public to buy private health insurance by wave this health service tax if you are currently with private health insurance. I think this can not only improve the current health budget, but can improve the private sector, in turns can become a first step to help Hong Kong become Asia or even International health care provider service. Thank you for you time in reading my email, I really hope that the government can successfully find the solution for the tax reform.

Regards,
Michael Tang