

Dear Mr. Tang,

I am a F.6 student. From my point of view, the best method to widen the tax is adopting the GST. First, it can lessen the burden of the middle-class families. Second, everyone can contribute and fulfil his/her civic responsibility by paying the GST. Most important of all, it can reduce the instability of relying only on the direct tax as the GST is a relatively more steady revenue. During the sad SARS period, people lost their jobs and the tax revenue dropped tremendously. We can't anticipate these things would happen, right? As the saying goes, "making hay while the sun shines". We should reach a consensus of applying this tax system before another turbulent era would come. The GST can help stabilize Hong Kong economy during unexpected crises, such as the 97' economic crisis.

However, I think the Government should clarify some ideas that the grass-roots families will not subsidise the expense of the middle- or upper-class families in any case. Most of the lower-class families can barely make a living. They would not be grateful to pay any kinds of tax. So, I think the Government must make it clear the poor will not be affected much by this tax.

Applying the GST is an unavoidable trend. But how the additional tax revenue can be apportioned fairly among different citizens is an important issue.

First of all, the Government should care about the "non-taxpaying lower-middle-income household". Under the proposed system, these families are greatly affected. They cannot enjoy the benefits of salaries tax concession or the extra subsidy given to CSSA households. As I am a student, I fully understand the financial pressure faced by my parents when they are paying my school fees. I think the Government should avoid adding school fees so much. They should even lower the school fees. Also, I think parents need not pay tax for buying textbooks as these things must be needed in the education process.

Also, amenities are most needed in daily lives so the Government can subsidise companies of amenities. For example, as tax would not be

collected from buying fuel, the transporting companies and the Government can contribute together so that the transport fees, like bus and MTR fare, can be reduced. This can encourage people using more public transport too.

In addition, I believe that the Government should set the minimum wage immediately. Lower-income families should have basic protection when they are forced to pay tax.

I believe that when the GST system is applied in the beginning, there will be lots of disputes and opposing voices. So, I think the Government should carry out the GST step by step. For example, we can first carry out it in some sectors for a period of time to test the effect and improve the problems. Besides, we may set different GST rates in different sectors, like lower tax rates in easily-affected businesses.

I hope the GST can stabilize the Hong Kong economy and will not cause much disputes in the beginning.

A F.6 student
Joanne Lam