

Dear financial secretary,

I am a Form Six student from a secondary school in Kwai Chung. I am writing to express my opinion about the idea of introducing the goods and services tax system. I am actually disagree with this, here are the reasons for that.

Introducing the sales tax may make the general price level rise which may heavily increase the burden of the grass root class. Just now, those people have already got very little money for the consumption of their basic needs. If the sales tax is really imposed, their lives would become even more difficult. Although there are some subsidies provided, it only takes a very small amount that could not help them to face the burden. So, I think it is not really good to get more government income from this way.

The tax is an unfair method to collect money from the public that should not be used. It is a regressive tax, the percentage of the tax paid from the poor is greater than the rich as the high income group only spend a small proportion on buying things. However, those who have already retired and unemployed may have to pay the tax when they need to shop. It seems not as fair as the leaflet described and people may feel discontented about this.

Also, to widen the tax base does not mean that the tax income would increase much that help to settle the large amount of expenditure. Conversely, it may increase the government expenditures such as the compensation paid to the people who are working the offsetting work, subsidies for the GST suffering sellers that seek help from the government, the increasing amount provided for the CSSA households etc. As imposing GST may have a risk that cannot help on settling the expenditure, I do not agree with the idea of GST .

To conclude, GST may increase the burden of the grass root class, it is not fair and it may not help increasing the government income. So, I do not agree to impose the goods and service tax. Hope that you can think of a better method to tackle with the problem. Thank you very much for your time and attention.

Yours sincerely,

Ka po YIP