



To: taxreform@fstb.gov.hk  
cc:  
Subject: tax reform

28/09/2006 00:55

☐ Urgent  
☐ Return Receipt

Dear Mr. Tang

I am writing to express my opinion on GST. As a student, I disagree about imposing GST. I have read the tax consultation document. I think it is not a good way to increase tax base.

Firstly, it may widen the wealth gap. As everyone need to pay the same proportion of tax, the lower group may not have enough money to pay especially for the elderly who don't have children to take care .They may think the price is much higher so they may not willing to buy. If they need a coat for keeping them warm, they will not buy it so they may get sick ..Perhaps, Government need to spread more money on medical service.. It may not finally get more revenue.

Secondly, it may affect the purchasing power when the GST imposed at first. Less people go out to purchase .They may go to Shenzhen to spend their money so the shops in Hong Kong need to lower the price to attract customers. They will earn less and it will affect the salaries tax and property tax. Even some of the shops may go bankrupts and it increases the unemployment rate. Also, investors may not want to invest in Hong Kong.

Thirdly, tourists may not want to come to Hong Kong. Most of the tourists go shopping in Hong Kong as the price is cheap and the quality is high. If GST is imposed, they may find others' places to go .Hong Kong will lose the name of Shoppers' Paradise.

Canada has its own GST a long time ago, the party who enforced the GST ended up from 230 seats in the parliament to 3 seats. Not only that, the party who imposed the GST is currently back in power and started to reduce the rate of the GST. This proves Canada has realized that GST is a big mistake.

Of. course, I think GST has its benefits just what you have mentioned in the document. However, I think it is not a right time to impose it as it is a controversial issue among the public. There are many different ideas, We cannot find the conclusion of it.. Do you remember the Article 23's issue? The society is not ready to have this article, but it imposed overhasty. Therefore, it finally banned.

I hope you will listen the whole society's ideas and make the best decision.  
Thank you for your attention.

Yours faithfully,

Wong Ka

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