



22/10/2006 04:56

 Urgent Return Receipt

To: <taxreform@fstb.gov.hk>  
cc:  
Subject: Alternative to GST

Dear Sirs,

I support the idea of broadening the tax base by lowering personal allowances. GST should not be imposed to ALL but luxurious items only.

You aim to broaden the tax base, and those would be people NOT paying tax at the moment. These would include

- a. low-income people,
- b. siblings of high-income people who are not working.

For low-income people, you might be expecting a GST of \$1000 per annum. An alternative is to lower the personal allowance by \$50000 and charge him/her 2%.

For siblings of high-income people, you can simply charge their bank and stock interests, provided that they are not offshore of course.

Imposing GST would demolish HK's image as a Shoppers' Paradise, plus a lot of administration costs. You can probably think of imposing GST on a few more luxurious items but it will be controversial to classify.

Yours faithfully,

David Lee

David Lee PhD CSci CPhys MInstP MASME