



2006/10/27 02:42 PM

 Urgent Return Receipt

To: <taxreform@fstb.gov.hk>

cc:

Subject: Goods & services tax

Dear Sir

I am writing regarding the above mentioned tax reform.

I am a house wife myself with an expatriate husband and 3 kids, all of them studying in HK. Our family is what the so called "middle class". I basically agree with what the Financial Secretary said, we have the need to broaden our tax system in HK as it relies a lot on the income tax from the middle class. As you know, the rich has the privilege of skipping a lot of tax either an overseas tax reduction account or something else, while the lower income group can not afford to pay, the tax income in HK is really limited.

But, does it mean the proposed tax on goods & services would help a lot? I would guess, yes, it would certainly does, but, it doesn't mean it's the only choice. The new tax proposing by the government is based on the big expenses generated mainly from the Chinese tourists. We all know that they come to buy or spend, one of the reasons is cheaper quality products. Without one of these advantages, I would guess the interest of buying & spending of our Chinese tourist would lower. So the burden, once again, lay upon us, the HK resident. Everything we spend would therefore increase in prices.

I agree that is economy is blooming, as it seems, but, it does not reflect on the salary, even my husband, as an expatriate, you would expect him to earn more, but in fact, not what you think. Apart from the privilege of being half expatriate, we pay for heavy school fees for international schools, even though mine are only with the English School Foundation.

I would suggest, one of solutions would be proposing tax on, for example, income made from selling properties, as we all know, a lot of investors just buy & sell to make money, or even from the share market. They could be one of the solutions. I honestly do not understand why such an obvious choice should be ignored or neglected while the new proposed tax on goods & services would damage the lower & middle class groups. Why the government has to propose something out of the pocket, again, from the general hard working public instead of helping them. Not only the lower class need help, don't, don't forget the middle class. Considering we have been contributing so much towards the economy & tax.

Thank you for your consideration & attention.

Yours faithfully
Joycelynn Wong Robinson