



To: taxreform@fstb.gov.hk
cc:
Subject: Broadening Tax Base

11/11/2006 20:47

- Urgent
 Return Receipt

I strongly support the Government's proposal to broaden the tax base and to introduce GST. This is a good initiative to ensure the long term benefit of the society.

GST is a fair tax. There should be few exemptions. This would ensure the GST system is simple and hence the compliance and administrative cost could be kept to the minimum.

Low income families should be compensated in order to ensure that their living standard would not be worsened because of GST. There would be difficulty in allocating compensation equally to all low income households as they have different number of family members. With growing revenue in the coming years, the Government should be a bit more generous in offering the compensation to them. Slight over-compensation is acceptable for winning their support.

A low GST rate would not drive away tourists and the impact on the retail sector should not be great. A low rate GST won't matter at all. The general price level rose more than 10% in the last two years and not much complaints were heard. Still, individual visitors from the Mainland keep pouring in. Retailers - no need to over worry!

Vanny Chung