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To: taxreform@fstb.gov.hk

cc:

Subject: re: GST

16/11/2006 16:03

 Urgent Return Receipt

First of all, I don't support GST, it will widen the gap for rich and poor. HK has been famous for simple tax, implement GST not only complicate the overall tax system. The cost to implement GST is huge and eventually the cost will transfer to end consumer which is general public. Also HK have so many SME, eventually a lot of transaction will be in Cash to avoid GST. Government may not get the full benefit of the GST. On paper it sound logically, but when implement we can foresee it is very difficult for SME. It is also true that on paper, we can foresee there are increments in terms of tax inflow to government, but in long terms to overall HK economy will suffer. This impact is unforeseeable.

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Suggestion:

There are so many ways to increase government income.

1. Electronic Road Pricing (ERP)

Just like <?xml:namespace prefix = st1 ns = "urn:schemas-microsoft-com:office:smarttags" />Singapore, we can implement Electronic Road pricing especially in heavy traffic district like central. There are so many ways to implement (ERP). During business hours, charges will be applied to vehicle going into the district. Not only it would be a new income source to the government, but it may possible to reduce the traffic congestion

2. Luxury Goods tax

It can increase car registration for car prices more than 500,000, tobacco and alcohol etc.