



To: taxreform@fstb.gov.hk
cc:
Subject: GST

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Urgent

Return Receipt

I support the introduction of a GST in `<?xml:namespace prefix = st1 ns = "urn:schemas-microsoft-com:office:smarttags" />`Hong Kong. It is a fair tax. The more you spend the more you pay. Also those who are well-off but not subject to income tax will have to pay if they spend.

`<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />`

If GST is implemented, the low-income groups would suffer most. They should be fully compensated. However, some families may not be able to fully use the GST credits on expenses on water and rates. To provide more flexibility, my suggestion is that the GST credit should also be given on electricity charges and public transport charges, etc.

With a 5% GST, the Government could fetch \$20 billion after giving out the tax relief and compensation. However, the Government has not given any clear proposal on how the GST revenue would be used. This will inhibit rational discussion on the merit that GST will bring to the community. Government officials have in different occasions promised to provide more details on this but so far nothing pops up. I doubt very much if the Government is really sincere to introduce the new tax or just a gloss over of a political motive prior to the imminent CE election.

Vanny