

To: <taxreform@fstb.gov.hk> cc: Subject: Comment to Tax Reform

Dear Sir / Madam,

I agred that Hong Kong tax base is narrow and should be widened, however, I do not think GST is the ultimate solution. I think what the Government need to do is to review the existing tax system and identify the segments of workforce that do not pay tax. The existing tax system is not equal to all natures of workforces in Hong Kong, especially the middle-class. Did the Government ever try to conduct a study to find out the money that can be collected if taxi drivers, construction site workers, self-employ persons etc. begin to pay tax?

Introduction of GST would increase the tax burden of middle-class as they have to pay two types of taxes. Can the Government increase the personal allowance so that they can pay less income tax? Can the Government guarantee the increased personal allowance amount can remain unchanged for 5 years or more? Can the Government guarantee the GST percentage can remain unchanged for 5 years or more?

I think I will support the idea of introduction GST to Hong Kong if my concerns and questions are answered.

Regards, Garry Kum