



To: <taxreform@fstb.gov.hk>
cc:
Subject: Tax Reform and Households

21/11/2006 21:14

- ☐ Urgent
☐ Return Receipt

Comments on Tax Reform

In principle I agree with the Consultation Document on Broadening the Tax Base by the introduction of Goods & Services Tax (GST) provided that GST credits be paid to all households as mentioned in the document. GST is fair because the amount of tax paid is based on the amount of money spent on goods & services. Those people who spend a lot of money in purchasing luxury items, decorating their homes & changing their home fixtures & furnitures very frequently to pay more GST tax.

As the GST will raise the price of goods & services, it's also very important to provide tax reduction to all taxpayers as well as:-

- (1) An annual GST credit of \$500 per household to used against water and sewage charges and
- (2) An annual GST credit of \$3,000 per household to be used against Rates & **Government Rent** on residential premises. (I suggest Government Rent to be included as small flat owners may pay less than \$3,000 Rates per year alone. The 3% Government Rent should also be included in this \$3,000 credit. It's the poor people living in smaller homes and they need more financial assistance as a result of the introduction of GST.)

Yours faithfully,
Liu Yuk Wah