



To: budget@fstb.gov.hk  
budget@fstb.gov.hk

cc:

Subject: Budget Suggestion

2006/11/22 08:37 PM

☐ Urgent

☐ Return Receipt

Dear Sirs

Over the past year, we have been hearing the government talking about the need to broaden the tax base. I totally agree. However, the HK Government has already amassed substantial budget surplus. If sales tax were to be introduced without a corresponding reduction in other taxes, particularly personal income tax, the Government would just continue to take more from the private sector to enrich its coffer. What does it do with the massive surplus? Spend it like no tomorrow!

We are seeing the Government's spending as a % of GDP is increasing over the past few years. This is very unhealth for HK which was once suggested by the belated Milton Friedman to be the only capitalist economy in the world. Elementary economics textbook will tell you that the Government spending is never efficient. We want a small government providing infrastructure and basic needs to the poor, not a government which focuses on increasing its share of the domestic economy.

In conclusion, I would like to see the HK Government introduces the sales tax, cut personal income tax and maintain a fiscal discipline of lowering its share of the HK domestic economic activities.

Yours faithfully

(Name provided)

(Editor's note: Cannot ascertain whether the sender agrees to disclose his/ her identity.)