

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

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| FSTB(Tsy)051 |
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Question Serial No.

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| 2642 |
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Head: 76 Inland Revenue Department Subhead (No. & title):

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

How many applications for holding over of part or the whole of the provisional tax and paying tax by instalments have been received in respect of profits tax, salaries tax and personal assessment in the previous 5 years (i.e. 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09)? What are the respective percentages of these cases out of the total number of assessed cases for each type of tax?

Asked by: Hon. CHAN Kam-lam

Reply:

The requested statistics in the past five years are as follows:

(i) Holding over of provisional tax:

| Year | Profits Tax | | Salaries Tax | |
|----------|-----------------------|-------------------------|-----------------------|-------------------------|
| | No. of holdover cases | % to total demand notes | No. of holdover cases | % to total demand notes |
| 2004-05 | 4 400 | 4.5% | 37 400 | 3.3% |
| 2005-06 | 5 200 | 4.7% | 44 600 | 3.7% |
| 2006-07 | 5 200 | 4.3% | 39 600 | 3.3% |
| 2007-08 | 4 200 | 3.6% | 32 600 | 2.7% |
| 2008-09* | 7 800 | 6.8% | 58 100 | 4.8% |

Personal Assessment is not a tax levy but a relief measure. No provisional tax is charged.

(ii) Paying tax by instalments:

| Year | Profits Tax | | Salaries Tax | | Personal Assessment | |
|----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | No. of Instalment cases | % to total demand notes | No. of Instalment cases | % to total demand notes | No. of Instalment cases | % to total demand notes |
| 2004-05 | 2 160 | 2.2% | 12 160 | 1.1% | 1 060 | 0.7% |
| 2005-06 | 1 990 | 1.8% | 12 610 | 1.1% | 1 010 | 0.7% |
| 2006-07 | 2 090 | 1.8% | 11 900 | 1.0% | 930 | 0.6% |
| 2007-08 | 2 020 | 1.7% | 8 660 | 0.7% | 710 | 0.4% |
| 2008-09* | 2 000 | 1.8% | 6 100 | 0.5% | 620 | 0.5% |

* Up to 28 February 2009

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2009