Inland Revenue Department
Hong Kong Special Administrative Region



Serve with

devotion

Strive for

perfection



2006-07
Annual Report





Vision, Mission and Values

Vision

We aim to be an excellent tax administration that plays an important part in promoting Hong Kong's prosperity and stability.

Mission

We are committed to -

- collecting revenue efficiently and cost-effectively;
- providing courteous and effective service to the taxpaying public;
- promoting compliance through rigorous enforcement of law, education and publicity programmes; and
- enabling staff to acquire the necessary knowledge, skills and attitude so that they can contribute their best to the achievement of our vision.

Values

Our core values are -

- **P**rofessionalism
- **E**fficiency
- **R**esponsiveness
- **F**airness
- **E**ffectiveness
- **C**ourtesy
- **T**eamwork



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Commissioner's Overview



The Inland Revenue Department has had another busy and fruitful year in 2006-07. On the back of strong economic growth, our total collections hit a new record high. We have been enhancing our work efficiency and service quality by strengthening staff training and, at the same time, making extensive use of the latest information technology. This two-pronged approach has enabled us to tackle the rising workload with delightful results.

IRD collections in 2006-07 climbed to an all-time high of $155.1 billion, with the largest increase coming from stamp duty. Owing to a very active stock market, stamp duty collections reached $25 billion, a 40% rise year on year. Profits tax and salaries tax collections were $71.9 billion and $38.6 billion respectively, each recording a 3% increase.

Continued economic growth has brought about more assessment cases and higher tax collections. This has been quite a challenge for the Department. Not only has the workload increased in terms of cases, the varied nature of business activities and the complexity of transactions in a transforming economy are also making our assessing work more difficult. This has been most obvious in profits tax cases, with assessing officers dedicating more time to each case. The Department has been providing staff training and promoting self-learning and experience sharing, to improve the skills of our assessment team and hence work efficiency.

At the same time, the IRD has employed the latest information technology and electronic services to improve productivity and service quality. The second phase Document Management System and the Workflow Management System have been in place since 2006. These help to manage documents, files and workflows, and allow the electronic file of each case to be accessed by several officers simultaneously through the computer network. While the Assessor is working on the case in their office, our front-line staff can attend to the taxpayer's enquiry and provide a one-stop over-the-counter service. Management can also review case progress at any time. Both efficiency and accountability are strengthened. Thanks to the efforts of our colleagues, these systems are delivering the desired results.

In 2008, we are launching "eTAX", which will usher in a new era for the Department's e-services. These will include e-tax returns, e-assessment notices, e-reminders for outstanding actions, e-receipts for payments made and e-alerts for filing or payment deadlines. Under the new platform, taxpayers can also view and update their personal particulars, and lodge objections and holdover applications on the Internet.



To ensure an effective and efficient taxation system, IRD relies on the support and co-operation of the tax-paying public. To facilitate compliance and strengthen tax education, the IRD website is being constantly updated to provide a full range of relevant information.

We have been uploading a number of Departmental Interpretation & Practice Notes onto the Internet for Inland Revenue Ordinance, Stamp Duty Office and Estate Duty Office. They covered a range of topics of common concern. Access to more information about various tax issues and the work of the Department gives people a better understanding of their tax obligations. A successful example of this is the "assess first, audit later" system, which automated the tax assessments making process. This system can run smoothly only with the full co-operation of taxpayers in filing their tax returns correctly and on time. Accurate tax returns mean the complicated post-assessment audit procedures can be kept to a minimum.

The IRD is responsible for enforcing the law on tax collection. We have to make sure that everyone is paying their fair share, and to take action against those who fail to do so. In 2007, notable results were achieved from criminal prosecution work with a number of tax evaders convicted and sentenced. The hard work of our colleagues was recognised. I wish these court cases would help to enhance awareness. The effective operation of Hong Kong's simple and low tax system requires a high degree of compliance and discipline from the public.

Equally vital to tax collection is the countering of tax avoidance arrangements. In 2007, the Court of Final Appeal ruled in our favour on the cases of Hongkong International Terminals Ltd. and Tai Hing Cotton Mill (Development) Ltd. These rulings confirmed our power to tackle such arrangements by applying anti-avoidance provisions, and provided a solid authority to our tax assessment work.

Work on the avoidance of double taxation continued to make good progress in the year. The Mainland and the Hong Kong SAR have both implemented the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income. This helps investors to assess more accurately their tax liabilities from cross-border economic activities, and fosters bilateral investment and trade. I am particularly thankful for the views and comments expressed by various parties on the Arrangement. We will continue to work hard on the area of international taxation.

同心展關懷 2006/07
caringorganisation
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

In addition to devoting themselves to office work, IRD colleagues volunteered to assist at a variety of charitable events. The Department was again awarded the Caring Organisation Logo in 2006-07 by the Hong Kong Council of Social Service. At MSF Day 2007, we came first in fund raising results among government departments. I am very impressed by these achievements.

In 2007-08 we are celebrating the Department's 60th anniversary. This is an important milestone, and I encourage everyone to share in our joy and pride through our commemorative activities. The performance of the Department in serving our community over the years is a testament to the dedication, perseverance and teamwork of our colleagues. I would like to thank them all. I also thank our partners, including the authorities in the Mainland and overseas, and all those participating in taxation work in Hong Kong in both the public and private sectors.

SINCE 1947-48
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LAU MAK Yee-ming, Alice, J. P.
Commissioner of Inland Revenue

Revenue

In 2006, Hong Kong's economy continued to expand. IRD collections reached a new high. There was an increase of $3.6 billion in Earnings and Profits Tax collections, representing a growth of 3.2% as compared with the previous year **(Figure 1, Schedules 1** and **2)**. The booming stock market also brought about a 40% increase in total Stamp Duty collections to $25 billion.

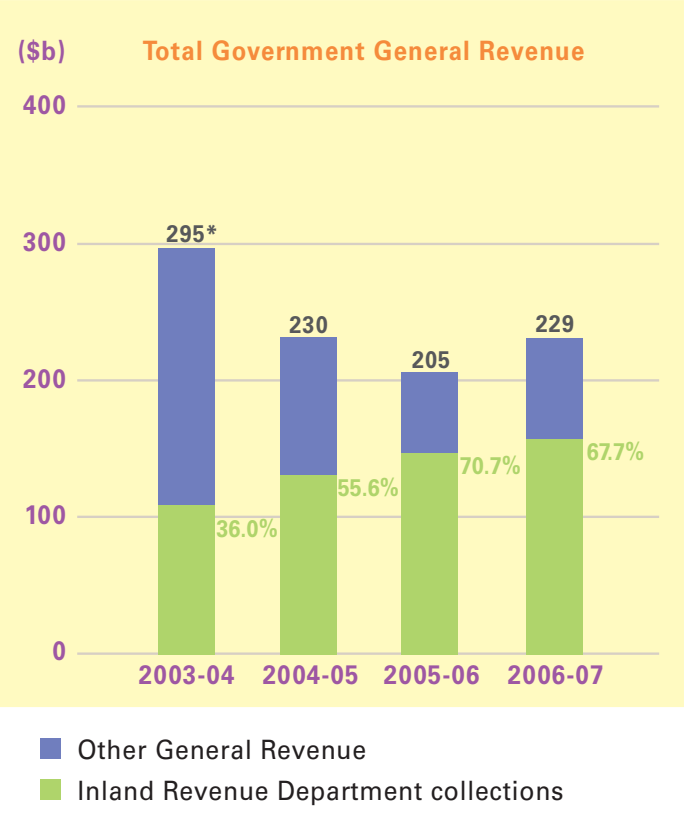
Figure 1 Revenue collected by tax type

Type of tax	2003-04 ($m)	2004-05 ($m)	2005-06 ($m)	**2006-07 ($m)**
Profits Tax -				
Corporations	43,666.3	52,562.2	65,586.1	**65,499.6**
Unincorporated Businesses	5,103.7	6,077.5	4,210.4	**6,419.4**
Salaries Tax	27,976.9	33,990.5	37,493.9	**38,585.6**
Property Tax	983.0	1,115.6	1,267.1	**1,247.4**
Personal Assessment	2,744.4	2,963.4	3,193.9	**3,565.6**
Total Earnings & Profits Tax	**80,474.3**	**96,709.2**	**111,751.4**	**115,317.6**
Estate Duty	1,455.3	1,468.4	1,675.7	**777.7**
Stamp Duty	11,245.4	15,851.4	17,867.2	**25,076.6**
Betting Duty	11,635.9	12,057.2	11,938.1	**12,047.4**
Business Registration Fees	1,233.3	1,348.7	1,478.8	**1,497.9**
Hotel Accommodation Tax	155.6	247.4	310.0	**384.2**
Total revenue collected	**106,199.8**	**127,682.3**	**145,021.2**	**155,101.4**
% change over previous year	**14.0%**	**20.2%**	**13.6%**	**7.0%**

Overall, revenue collected by the Department during 2006-07 totalled $155.1 billion (close to 70% of the Government General Revenue, see **Figure 2**). This represents an increase of $10.1 billion or 7%, from that collected in the previous year. The major part of the revenue collected came from Profits Tax and Salaries Tax, which together contributed 71.2% **(Figure 3)**.



Figure 2 Government General Revenue



* including a transfer of $120 billion from the Land Fund

Figure 3 Composition of the revenue collection

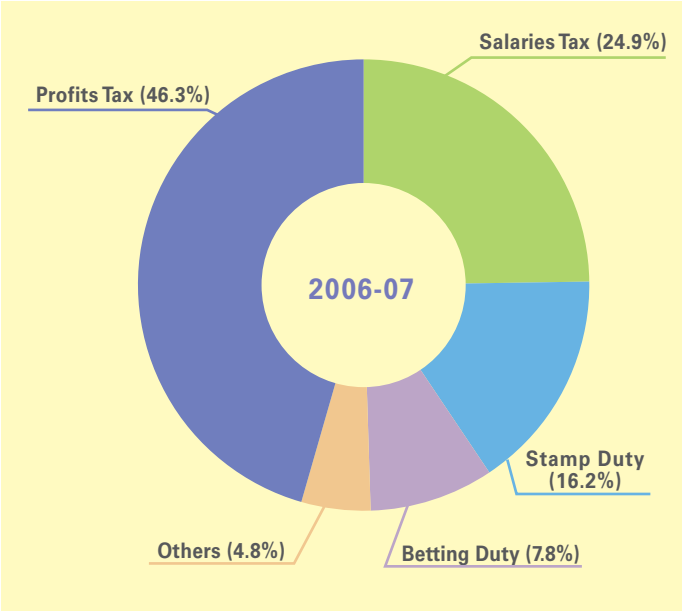
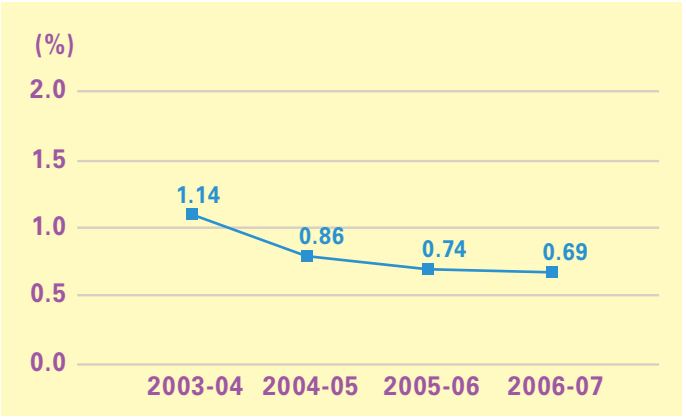


Figure 4 Cost of collection



With continuous cost control and an increase in revenue collections during the year, the cost of collection of revenue decreased from 0.74% to 0.69% **(Figure 4)**.

Assessing Functions

The Department raises revenue through taxes, duties and fees in accordance with the relevant legislations. While the duties and fees collected for a year are based on the actual results of the year, the Earnings and Profits Tax assessed are principally computed by reference to the incomes/profits of the taxpayers in the previous year. For 2006-07, the Earnings and Profits Tax assessed increased by $5.9 billion (5%), as compared with the previous year. The total of duties and fees collected rose significantly by 20%.

Profits Tax

Profits Tax is levied on individuals, corporations, bodies of persons and partnerships, in respect of assessable profits arising in or derived from Hong Kong. For the year of assessment 2006-07, the Profits Tax rates for corporations and non-corporate persons remained unchanged at 17.5% and 16% respectively.

Reflecting the continuing strong performance of the economy, Profits Tax assessed in 2006-07 increased by $3.7 billion (5%) as compared with the previous year. Total Profits Tax assessed during the year amounted to $79.9 billion **(Figure 5)**. Of the total tax assessed, the property and financial sectors together contributed 39.7% **(Figure 6)**. Further statistics relating to the tax assessed in respect of different business sectors are shown in **Schedules 3** and **4**.

Salaries Tax

Salaries Tax is charged on all income arising in or derived from Hong Kong from any office (e.g. a directorship), employment or pension. The total tax payable is restricted to an amount not exceeding the standard rate of Salaries Tax of the net total income (without allowances) of the individual concerned. For the year of assessment 2006-07, the standard rate remained unchanged at 16%.

Figure 5 Profits Tax assessed

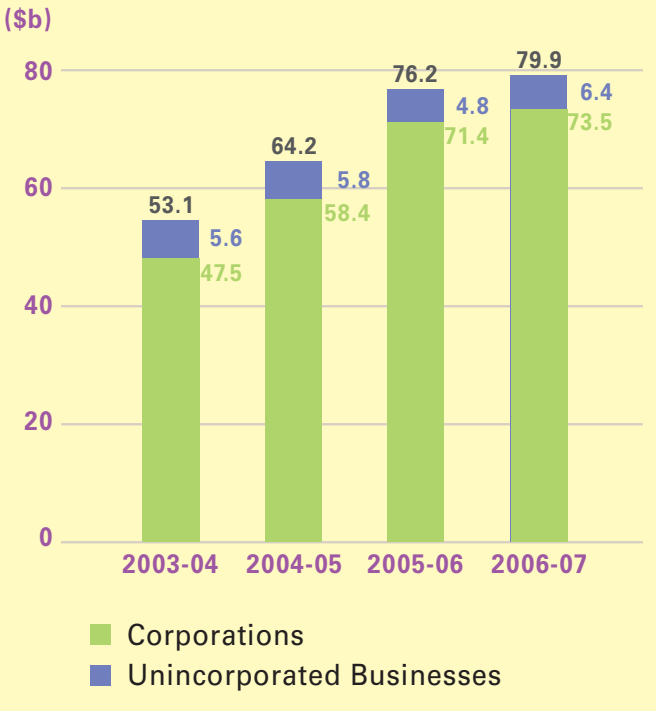
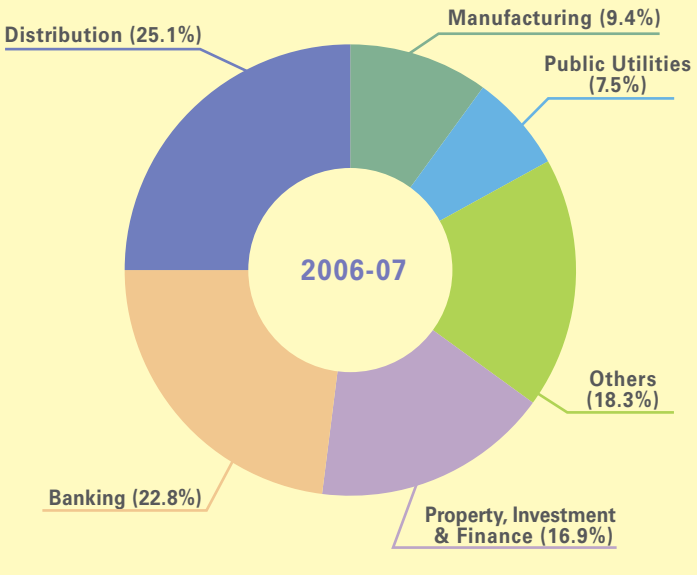
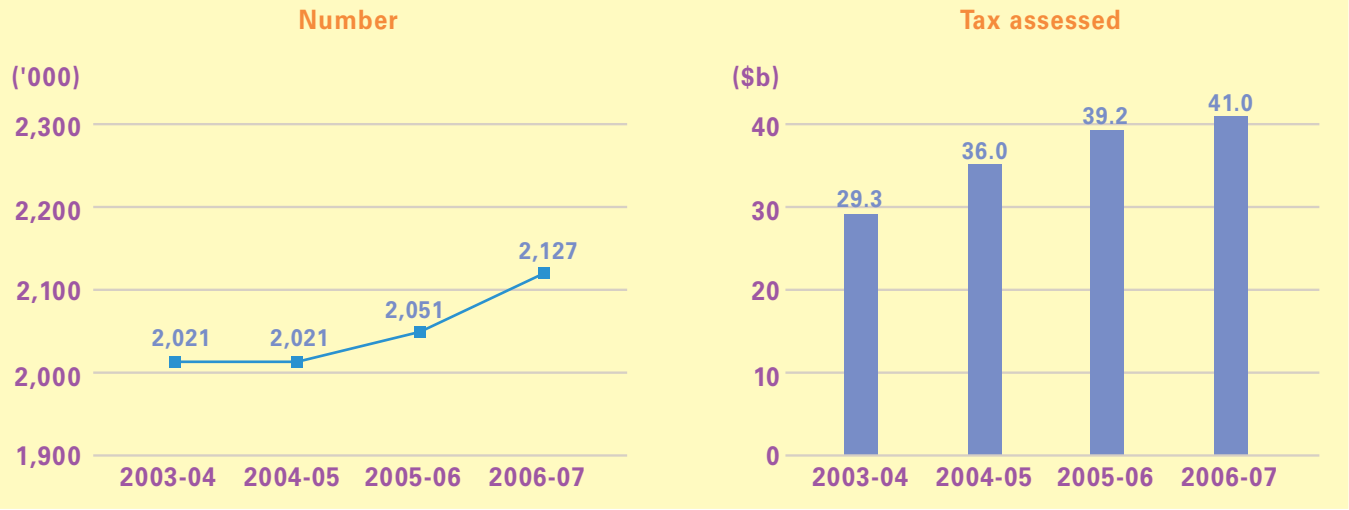


Figure 6 Corporate Profits Tax assessed ratios by business sectors



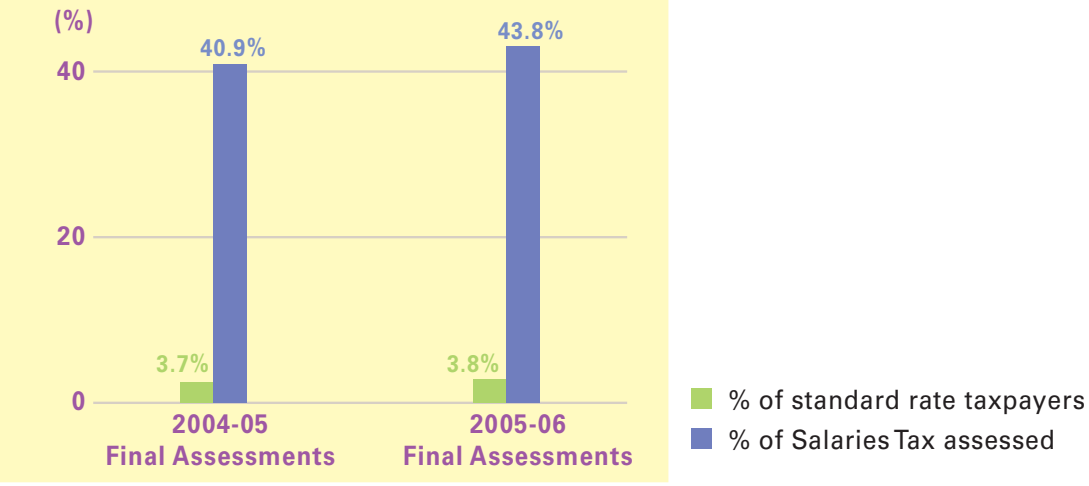
As compared with the previous year, the number of assessments made increased by 3.7% and 4.6% more tax was assessed during 2006-07 **(Figure 7)**. Analyses of tax assessed and allowances granted in respect of taxpayers at various income levels are provided in **Schedules 5** and **6**.

Figure 7 Salaries Tax assessments



The number of standard rate taxpayers slightly increased by 1,638, from 45,817 last year to 47,455 this year. These taxpayers together contributed 43.8% of the Salaries Tax assessed, compared to 40.9% last year **(Figure 8)**.

Figure 8 Standard rate taxpayers



Notification Requirements of Employers

Apart from reporting commencements and cessations of employments, employers are required to prepare annual returns to report the emoluments of each of their employees. During the year, 269,030 employers filed employer's returns with the Department.

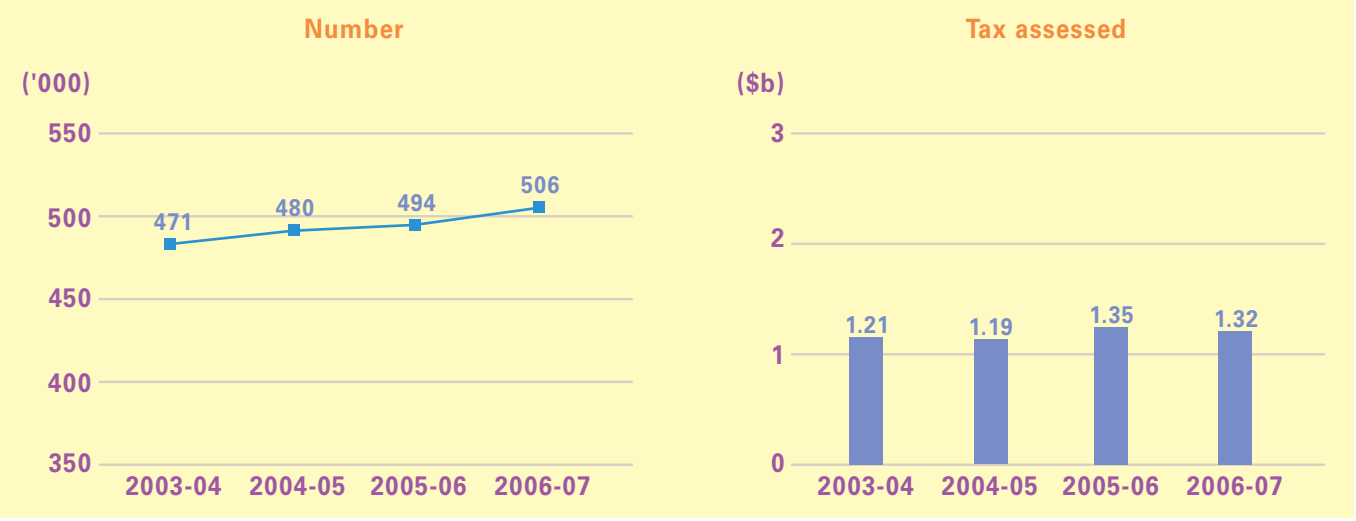
The Department provides venues for e-Seminar and disseminates tax information for employers on the IRD Homepage in order to enhance their understanding of the relevant statutory requirements. The contents include information about completion of employer's return, employer's obligation, answers to frequently asked questions etc. Employers can also obtain specimens of completed employer's returns and notifications through the Fax-A-Form service.

Property Tax

Property owners (including corporations) are subject to Property Tax which is charged at the standard rate in respect of the net assessable value of the property. For the year of assessment 2006-07, the standard rate remained unchanged at 16%. Incorporated and unincorporated businesses that pay Property Tax in respect of their business premises can have such payments set off against their Profits Tax liabilities. As for corporations, income arising from properties owned by them is also subject to Profits Tax at the corporate tax rate. To obviate the need for yearly set-off of Property Tax against Profits Tax, a corporation can apply for exemption of Property Tax on the property concerned.

Statistics on the classification and ownership of properties, based on the records of the Department, are provided in **Schedule 7**. The number of assessments made during the year increased by 2.5%, as compared with the previous year. However, with the increase in the number of Personal Assessment elections, the amount of Property Tax assessed slightly decreased by 2.6% **(Figure 9)**.

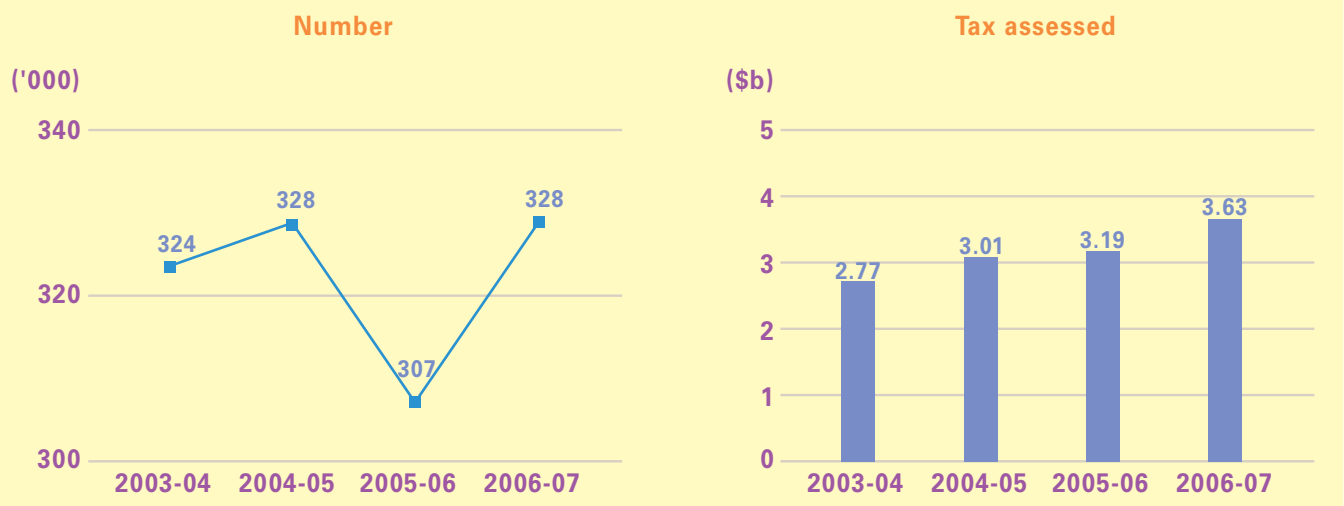
Figure 9 Property Tax assessments



Personal Assessment

An individual may elect Personal Assessment in respect of his or her total income. Under Personal Assessment, all of the income of the taxpayer and his or her spouse is aggregated and, after the deduction of all allowances, is assessed at the graduated tax rates. In appropriate circumstances, this reduces the total tax liability of the individual (e.g. an individual who would otherwise be chargeable at the standard rate on each separate income source). The number of assessments made in 2006-07 was 6.7% more than that in the previous year and the amount of tax assessed also increased by 13.9% **(Figure 10)**.

Figure 10 Assessments made under Personal Assessment



Advance Ruling

The advance ruling service allows a person to apply for a ruling on how a provision of the Inland Revenue Ordinance applies in relation to a particular arrangement.

A fee is charged for the service on a "cost recovery" basis. Initially, the applicant is required to pay an application fee of $30,000 for a ruling concerning the "Territorial Source Principle", or $10,000 for a ruling on any other matter.

The Department endeavours to provide a ruling within 6 weeks of the date of application, provided that all relevant information is furnished with the application and further consultation with the applicant is not required.

During the year, 42 advance ruling applications were processed **(Figure 11)**. Most of the applications were for rulings on Profits Tax matters.

Figure 11 Advance Ruling

		2005-06 Number		**2006-07 Number**	
Awaiting decision at the beginning of the year			13		**10**
Add:	Applications received during the year		30		**47**
			43		**57**
Less:	Disposed of -				
	Ruling made	27		**31**	
	Application withdrawn	5		**9**	
	Ruling declined	1	33	**2**	**42**
Awaiting decision at the end of the year			10		**15**

Objections

A taxpayer who is aggrieved by an assessment made under the Inland Revenue Ordinance may lodge an objection to the Commissioner. A significant proportion of the objections received each year arises from estimated assessments issued to taxpayers who fail to lodge returns on time. An objection of this nature must be supported by a completed return and, where applicable, by supporting accounts. Most of these objections are settled promptly by reference to the returns subsequently submitted. Many of the other types of objections are also settled by agreements between the taxpayers and the assessors concerned. Relatively few objections are ultimately referred to the Commissioner for determination. During the year, the Department processed over 75,000 objections **(Figure 12)**.

Figure 12 Objection statistics

			2005-06 Number		**2006-07 Number**
Awaiting settlement at the beginning of the year			24,354		**26,605**
Add:	Received during the year		72,192		**75,394**
			96,546		**101,999**
Less:	Disposed of -				
	Settled or withdrawn	69,137		**74,237**	
	Assessment confirmed	459		**510**	
	Assessment reduced	213		**202**	
	Assessment increased	119		**113**	
	Assessment annulled	13	69,941	**8**	**75,070**
Awaiting settlement at the end of the year			26,605		**26,929**

Appeals to the Board of Review

A taxpayer who is dissatisfied with the Commissioner's determination of his objection may appeal to the Board of Review (Inland Revenue Ordinance) to have the determination reviewed. As at 31 March 2007, the Board consisted of a chairman and 8 deputy chairmen, who have legal training and experience, as well as 112 other members. During the year, the Board processed 150 appeals **(Figure 13)**.

Figure 13 Appeals to the Board of Review

			Number
Awaiting hearing or decision as at 1 April 2006			82
Add:	Lodged during the year		120
			202
Less:	Disposed of -		
	Withdrawn	37	
	Assessment confirmed	57	
	Assessment reduced in full	10	
	Assessment reduced in part	30	
	Assessment increased	11	
	Assessment annulled	3	
	Others	2	150
Awaiting hearing or decision as at 31 March 2007			52

Appeals to the Courts

A decision of the Board of Review is final, provided that either the taxpayer or the Commissioner may, pursuant to section 69(1) of the Inland Revenue Ordinance, make an application requiring the Board to state a case on a question of law for the opinion of the Court of First Instance. Apart from appeals by way of case stated, occasionally the parties may lodge appeals to the Court through judicial review proceedings.

During 2006-07, the Court of First Instance ruled on thirteen cases relating to the Inland Revenue Ordinance including one judicial review case initiated by a taxpayer. Except for one case which involved the taxability of lump sum payment received by an employee upon termination of employment and where the taxpayer's appeal was partly allowed, judgments in the other cases were all in favour of the Commissioner. The issues decided in these cases included the deductibility of expenses under Salaries Tax and Profits Tax, share option gains, whether the taxpayers were engaged in the trading of properties, the Commissioner's right to revisit a loss computation of more than six years ago, and whether payment to an employee was a rent reimbursement not subject to Salaries Tax.

Of the thirteen judgments delivered by the Court of First Instance, there were appeals to the Court of Appeal by taxpayers in four cases. Besides, both the taxpayer and the Commissioner lodged appeal in the termination payment case which was partly allowed by the Court of First Instance.

During the year the Court of Appeal handed down eight judgments relating to the Inland Revenue Ordinance, six of which were in favour of the Commissioner. Two of these judgments were related to judicial review proceedings initiated by taxpayers. The other four cases covered the source of brokerage income, the Commissioner's right to revisit a loss computation of more than six years ago, the nature of payment made by an employer to an employee, and the taxability of profits from property redevelopment. The Court ruled against the Commissioner in the remaining two cases. One was the termination payment case. The other one related to application of the anti-avoidance provisions. The Commissioner has lodged an appeal to the Court of Final Appeal against this judgment.

The Court of Final Appeal heard three cases during the year and ruled in favour of the Commissioner in two of them which related to the taxation of royalty income and source of brokerage income. In respect of the remaining case which involved the deductibility of interest expenses under Profits Tax, the Court of Final Appeal allowed the taxpayer's appeal.

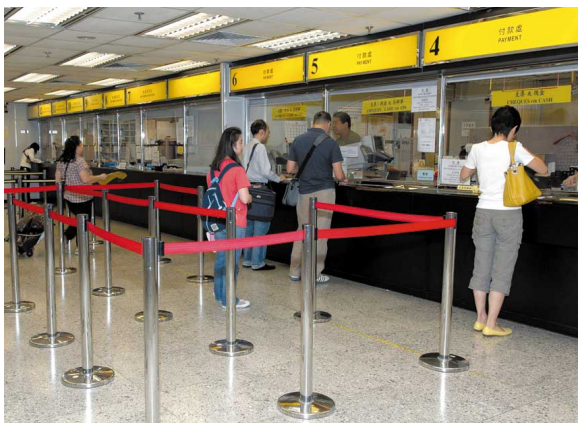
Figure 14 sets out statistics concerning appeals to the Courts for 2006-07.

Figure 14 Appeals to the Courts

		Court of First Instance		Court of Appeal		Court of Final Appeal		**Total**
Awaiting hearing or decision as at 1 April 2006			18		8		1	**27**
Add:	Lodged during the year		10		10		7	**27**
			28		18		8	**54**
Less:	Disposed of -							
	Decided	13		8		3		
	Discontinued	9	22	-	8	-	3	**33**
Awaiting hearing or decision as at 31 March 2007			6		10		5	**21**

Business Registration

The Department aims to maintain an efficient business registration system. Every person carrying on a business in Hong Kong must register the business and pay the required fee. Registered businesses may renew their registration certificates either annually or once every 3 years. The registration fee and levy for the Protection of Wages on Insolvency Fund are respectively $2,000 and $600 if paid annually, or $5,200 and $1,800 if paid every three years. Up to 31 March 2007, 11,973 businesses had taken the 3-year certificates.



The total number of new and re-opened registrations in 2006-07 was 6,040 higher than that of the previous year while the number of cancelled registrations also increased by 15,747 **(Schedule 8)**. The total number of active registrations recorded a growth of 31,130 for the year **(Figure 15)**. There was a corresponding increase in the number of certificates issued, leading to an increase of $19 million in the business registration fees collections **(Figure 16)**.

Figure 15 Active Business Registration

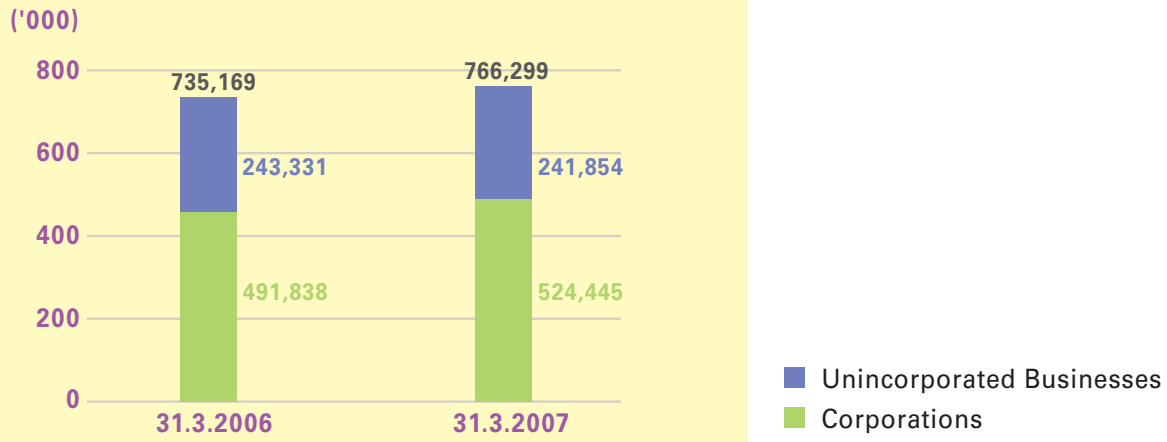


Figure 16 Certificates issued and Fees collected

	2005-06	**2006-07**	Increase
Number of certificates issued (Main and Branch)	796,126	**805,915**	1.2%
Fees (inclusive of penalties) ($m)	1,478.8	**1,497.9**	1.3%

Under the Business Registration Ordinance, a small business with average monthly sales or receipts below a specified limit ($10,000 for a business mainly deriving profits from the sale of services or $30,000 for other businesses) could apply for exemption from payment of the fee and levy. The number of total exemptions granted during the year was 18,977, representing an increase of 8% from the previous year.

Where an application for exemption is not allowed, the business operator may appeal to the Administrative Appeals Board. 9 appeals were received by the Board in 2006-07, of which 2 were dismissed by the Board and 5 were subsequently withdrawn by the appellant **(Figure 17)**.

Figure 17 Appeals to the Administrative Appeals Board

			Number
Awaiting hearing as at 1 April 2006			0
Add:	Lodged during the year		9
			9
Less:	Disposed of -		
	Appeal dismissed	2	
	Appeal withdrawn	5	7
Awaiting hearing as at 31 March 2007			2

Stamp Duty

Stamp Duty is charged on instruments effecting property and stock transactions and leasing of property **(Figure 18)**.

The property market remained stable in 2006-07. Despite the reduction of stamp duty rate on property transactions with value between $1 million and $2 million from 0.75% to a fixed duty of $100 on 28 February 2007, the stamp duty collections from property transactions in the year increased slightly by 2% when compared with the previous year.

The stock market remained strong and very active throughout the year. The stamp duty collections from share transactions in 2006-07 reached a new high of $15 billion, an increase of 85% from the previous year.

Overall, there was an increase of 40% in total stamp duty collections during the year **(Figure 19** and **Schedule 9)**. The number of documents being stamped also increased by 17% **(Schedule 10)**.

Figure 18 Composition of Stamp Duty collections

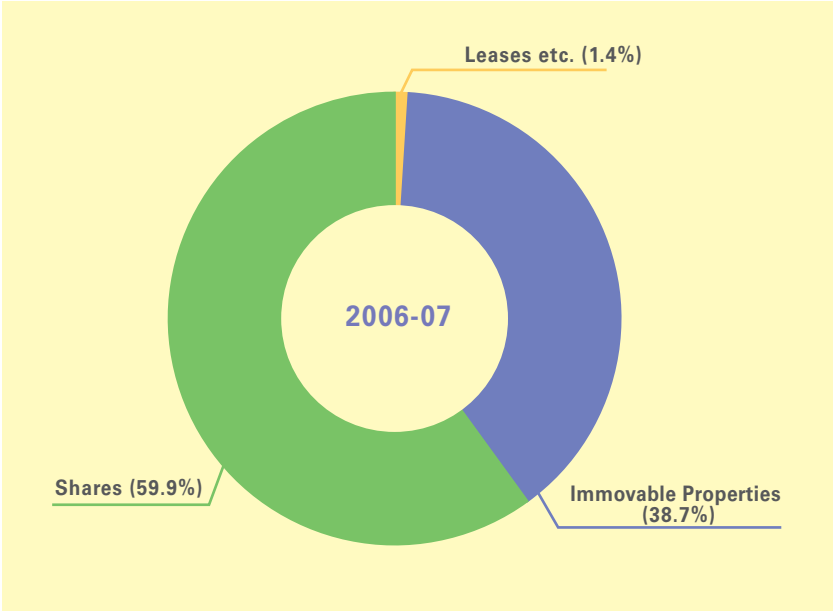




Figure 19 Stamp Duty collections

	2005-06 ($m)	**2006-07 ($m)**	Increase
Immovable Properties	9,466	**9,700**	+2%
Shares	8,129	**15,027**	+85%
Leases etc.	272	**349**	+28%
Total	17,867	**25,076**	+40%

Estate Duty

Estate duty is charged on that part of a deceased person's estate situated in Hong Kong. The threshold for levying duty is $7.5 million and the duty rates range from 5% to 15%, depending on the value of the estate.

The Revenue (Abolition of Estate Duty) Ordinance 2005 ["the Ordinance"] has abolished estate duty in respect of persons passing away on or after 11 February 2006. The Ordinance has extended the benefit of abolition to cases of deaths occurring on or after 15 July 2005 but before 11 February 2006, by imposing a nominal duty of $100 on such estates if the assessed value exceeds $7.5 million.

Figures 20 and **21** show the composition of estates and cases processed for the past two years.

Figure 20 Composition of Estates

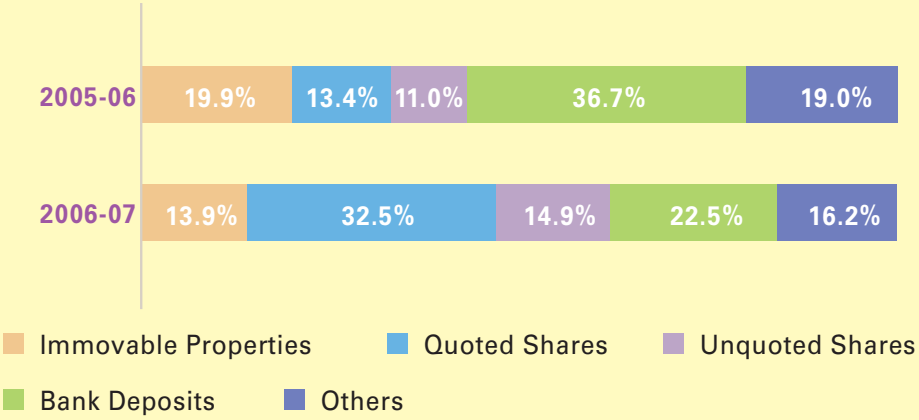


Figure 21 Estate Duty cases

	2005-06	**2006-07**
New cases	16,717	**6,362**
Cases finalised		
Dutiable	309	**412**
Exempt	16,696	**6,827**
	17,005	**7,239***

Note: * The figure does not include the support services provided to the estate beneficiaries of 4,988 cases on behalf of the Secretary for Home Affairs.

Estate Duty of $777 million was collected during the year **(Schedule 11)**, a decrease of $898 million (53.6%) compared with that of the previous year.

Estate Duty is payable on delivery of an estate duty affidavit or account (or within 6 months from the date of the deceased's death, whichever is the earlier). $549 million was received during the year in advance of the issue of formal assessments **(Schedule 12)**.

Betting Duty

Betting Duty is charged on bets made on totalisators at race meetings conducted by the Hong Kong Jockey Club, on the proceeds of lotteries conducted by the HKJC Lotteries Limited and on the net stake receipts derived from the conduct of authorised betting on football matches by the HKJC Football Betting Limited. Following the enactment of the Betting Duty (Amendment) Ordinance 2006, effective from 1 September 2006, betting duty on horse racing is charged on the net stake receipts derived from the conduct of authorised betting on horse races by the HKJC Horse Race Betting Limited. HKJC is providing a guarantee of $8 billion on the duty on horse racing betting during each of the first 3 years.

In 2006-07, the rates of duty on lotteries and football betting remained unchanged. The rate of duty on horse racing was amended with effect from 1 September 2006 **(Figure 22)**.

Figure 22 Rates of Betting Duty in 2006-07

		Rate
Horse Race Betting		
Up to 31 August 2006		
Standard Bets	win, place, double, quinella and quinella place	12%*
Exotic Bets	six up, treble, tierce, trio, double trio and triple trio	20%
Effective from 1 September 2006		
Net stake receipts		
	the first $11billion	72.5%#
	the next $1 billion	73%
	the next $1 billion	73.5%
	the next $1 billion	74%
	the next $1 billion	74.5%
	the remainder	75%
Lotteries	proceeds	25%
Football Betting	net stake receipts	50%

Note: * Overseas bets are charged at 6%.

\# For overseas bets, the discount rate for specified places (e.g. Macau) is 40%, whereas the discount rate for a place outside Hong Kong (other than specified places) is 50%.

In 2006-07, the racing attendance slightly increased **(Schedule 13)** but the duty collections from horse racing dropped by 3.1%. The lotteries duty collections also decreased by 5.3%. However, the drops were offset by an increase of 18.8% in football betting duty collections. Total betting duty collections in 2006-07 was 0.9% higher than the previous year **(Figure 23)**.

Figure 23 Betting Duty collections

	2005-06 ($m)	**2006-07 ($m)**	Increase/Decrease
Horse Racing	7,949.9	**7,703.5**	-3.1%
Lotteries	1,633.4	**1,547.4**	-5.3%
Football Betting	2,354.8	**2,796.5**	+18.8%
Total	11,938.1	**12,047.4**	+0.9%

Hotel Accommodation Tax

Hotel Accommodation Tax is imposed on hotel and guesthouse accommodation at the rate of 3% of the accommodation charges paid by guests and is collected quarterly in arrears.

In 2006-07, there was an increase in the number of hotels, boarding houses and taxable rooms **(Figure 24)**. Due to the growing number of visitors, the average room occupancy rate slightly increased by 2.6% **(Figure 25)**. The average room charge increased in hotels but slightly decreased in boarding houses **(Schedule 14)**. Total tax collected in the year was 24% higher than that of the previous year **(Figure 26)**.

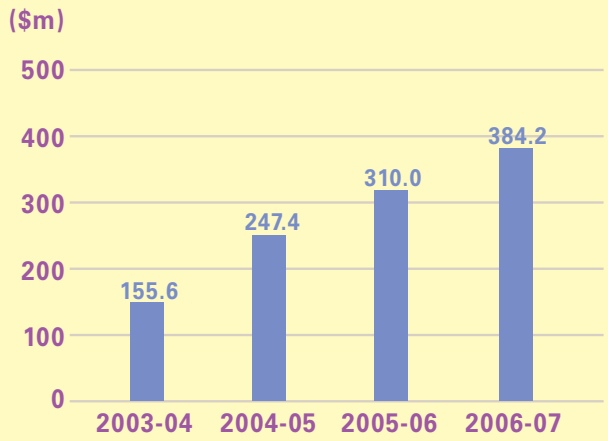
Figure 24 Hotels, boarding houses, taxable rooms and exempted rooms

	2005-06	**2006-07**	Increase
Hotels and Boarding Houses	199	**217**	+9.0%
Taxable Rooms	45,710	**48,470**	+6.0%
Exempted Rooms	6,591	**6,776**	+2.8%

Figure 25 Room occupancy rates

	2005-06	**2006-07**	Increase
Room Days	12,643,941	**13,757,183**	+8.8%
Occupancy Rate	84.8%	**87.4%**	+2.6%

Figure 26 Hotel Accommodation Tax collections



Tax Reserve Certificates

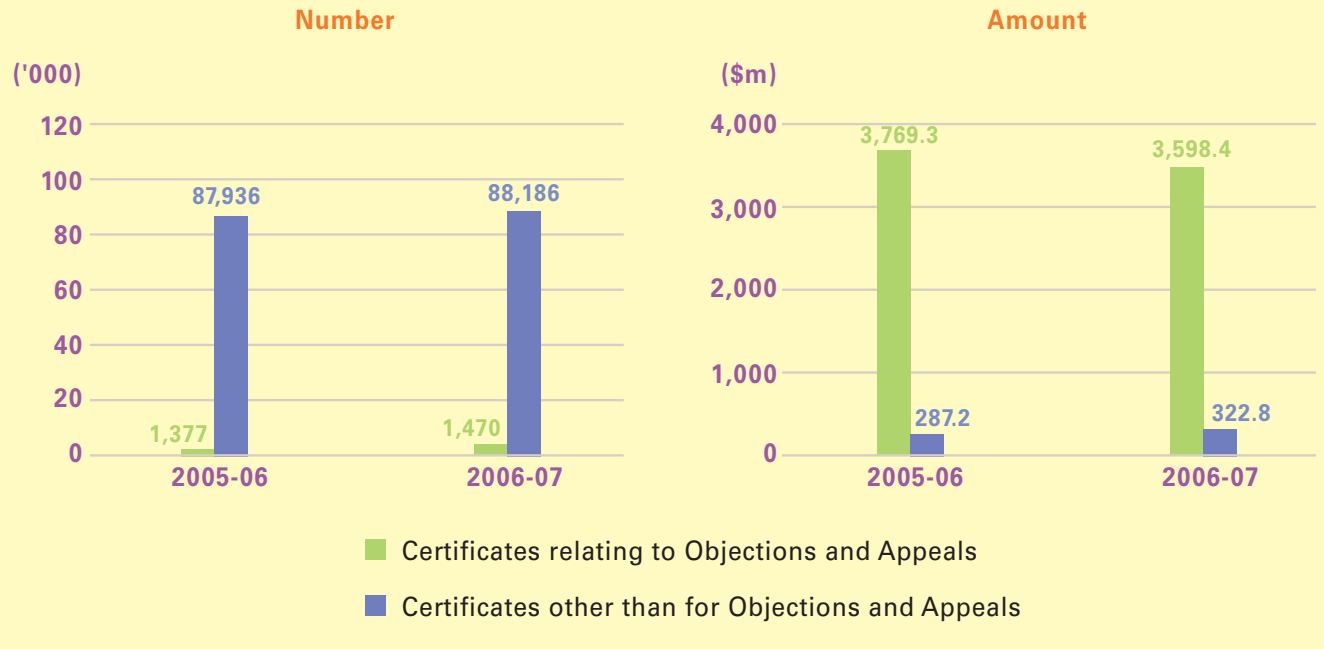
There are two sets of circumstances under which Tax Reserve Certificates are purchased.

The first applies to taxpayers who wish to save for the payment of their future tax liabilities. Two service schemes are offered to these taxpayers: the "Electronic Tax Reserve Certificates Scheme" for all taxpayers and the "Save-As-You-Earn" (SAYE) Scheme for civil servants and civil service pensioners. Under the Electronic Tax Reserve Certificates Scheme, certificates can be purchased using various electronic means, i.e. by bank autopay, telephone, the Internet and bank ATM. Under the SAYE Scheme, certificates are purchased by civil servants and civil service pensioners through monthly deductions from their salaries/pensions. Interest is payable on the certificates when they are redeemed for settlement of tax liabilities, based on the interest rate prevailing at the time of purchase, for a maximum period of 36 months from the date of purchase.

In 2006-07, there was an increase of 2% and 20% in the number and the amount of certificates sold under the Electronic Tax Reserve Certificates Scheme respectively. The number and the amount of certificates sold under the SAYE Scheme slightly dropped by 1% and 3% respectively **(Schedule 15)**. Overall, the total amount of certificates sold increased by 12% **(Figure 27)**.

The second situation applies to taxpayers who object to tax assessments and are required to purchase Tax Reserve Certificates in respect of the tax in dispute. Such certificates are used to settle any tax found payable upon the finalisation of the objection or appeal. Interest is only payable on the amount, if any, subsequently required to be repaid to the taxpayer, and is computed at floating rates ruling over the tenure of the certificate.

Figure 27 Certificates sold



Collection

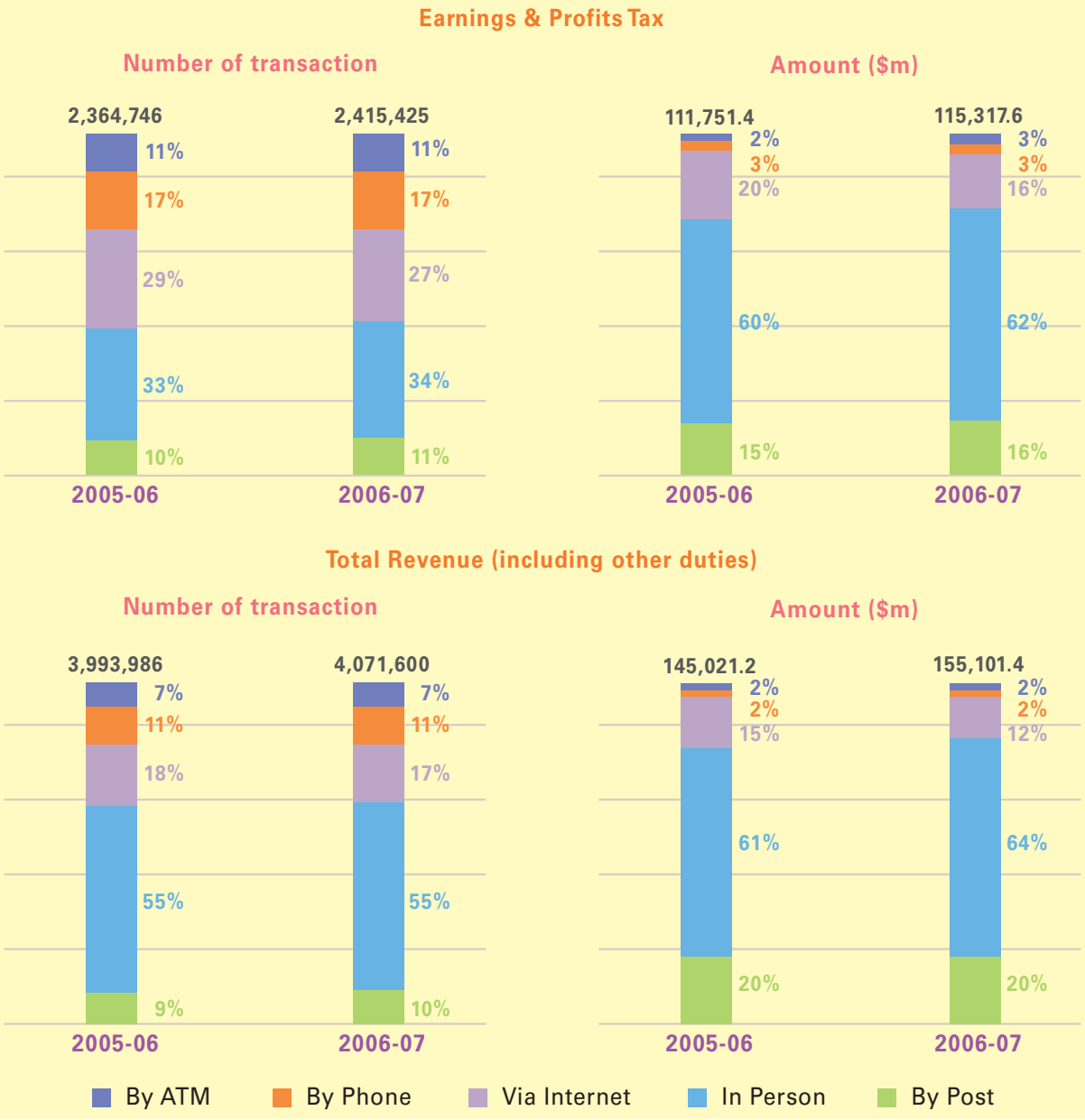
Revenue collected by the Department includes tax, additional tax, surcharge and fines. **Schedules 16** and **17** provide details of additional tax, surcharge and fines imposed by the Department in respect of Earnings and Profits Tax during 2006-07.



Collection of Tax

There are various payment methods by which a taxpayer can choose to settle a tax liability. **Figure 28** shows the payment methods used by taxpayers in 2006-07. Electronic payments (by phone, bank ATM or the Internet) are popular. For Earnings and Profits Tax, 55% of the payment transactions were made through electronic means.

Figure 28 Payment methods







Refund of Tax

Refunds were made to taxpayers for various reasons, such as overpayment of tax or refund arising from a revision of an assessment. They were issued as expeditiously as possible. During 2006-07, tax refunds totalling $6.9 billion were made **(Figure 29)**.

Figure 29 Tax refunds

	2005-06		**2006-07**	
Type of Tax	Number	Amount ($m)	**Number**	**Amount ($m)**
Profits Tax	24,423	2,828.7	**29,900**	**3,732.0**
Salaries Tax	303,341	1,739.7	**292,934**	**1,732.2**
Property Tax	14,854	106.8	**15,002**	**123.7**
Personal Assessment	23,247	189.6	**23,970**	**215.4**
Others	13,599	978.6	**15,370**	**1,082.7**
Total	379,464	5,843.4	**377,176**	**6,886.0**

Recovery of Tax in Default

Taxpayers should pay tax on or before the due date shown on the demand notes issued to them. The vast majority of taxpayers settle their tax liabilities in a timely manner.

A late payment surcharge of 5% will generally be imposed where tax is in default. If tax debts remain outstanding for more than six months after the due date, the Department may impose a further surcharge of 10% on the total unpaid amount.

Any tax in default is immediately recoverable. Recovery notices can be issued to third parties (including employers, bankers and other parties owing money to or holding money on behalf of the defaulting taxpayers) to effect collection. Actions may also be commenced in the District Court. **Figure 30** summarises the recovery actions taken by the Department. Upon entry of judgment, a defaulting taxpayer becomes liable to legal costs and interest on judgment debt for the period from the date of commencement of proceedings to the date of full settlement in addition to the outstanding tax. **Figure 31** shows the legal costs and judgment interest collected during 2006-07.

Figure 30 Recovery action

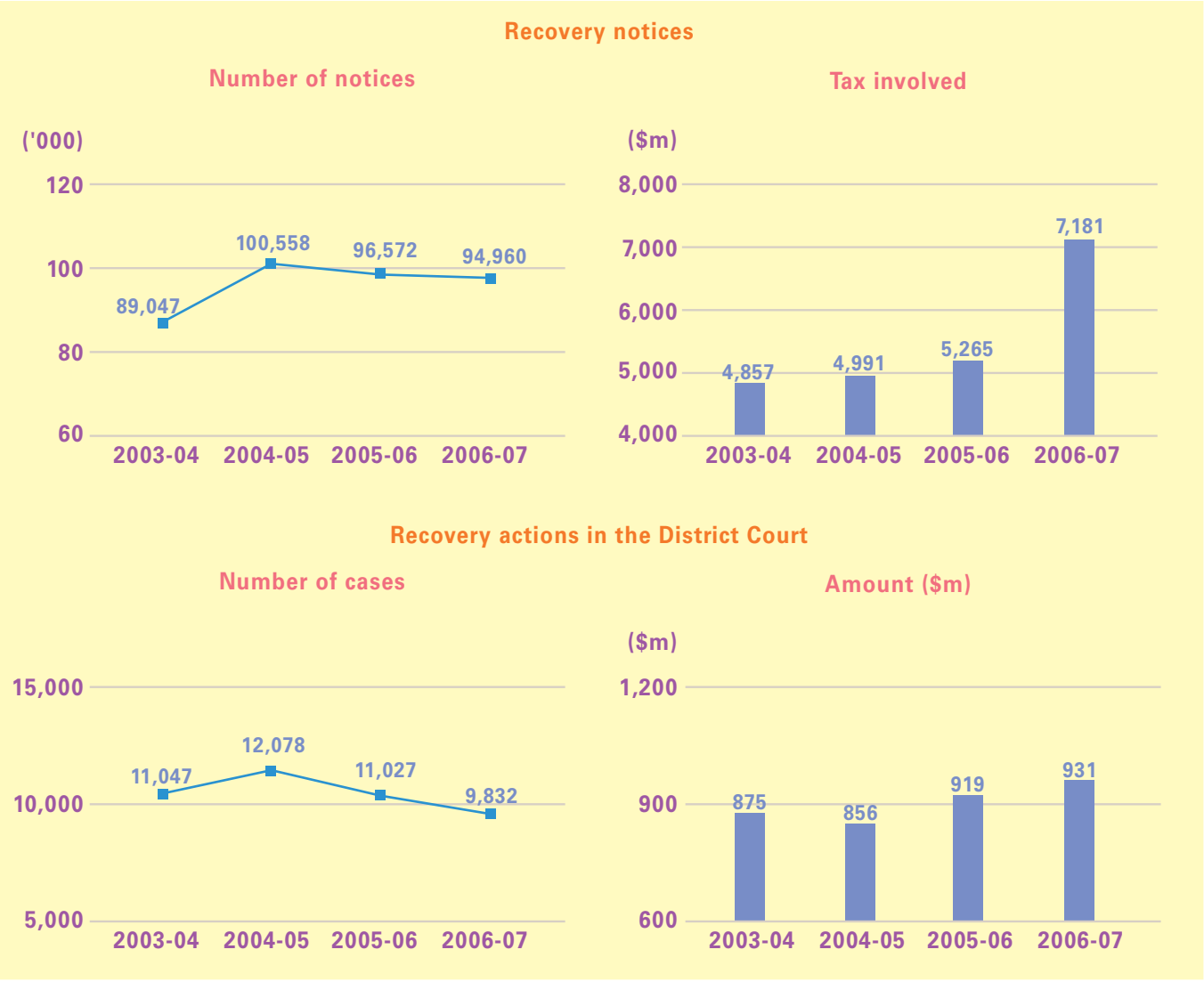


Figure 31 Legal Costs and Judgment Interest collected in 2006-07

	$	$
Court Cost		
Court Fees	2,494,861	
Execution Fees	69,990	2,564,851
Fixed Cost		1,024,352
Judgment Interest		
Pre-judgment Interest	3,417,811	
Post-judgment Interest	18,073,214	21,491,025
Total costs and interest collected		**25,080,228**

A person with tax in default may be prevented from leaving Hong Kong. This, however, requires the Commissioner to satisfy a District Judge that there are reasonable grounds for believing that the person intends to depart, or has departed, from Hong Kong to reside elsewhere without paying his tax or furnishing adequate security for payment of such tax. The relevant legislation also provides that the person concerned may appeal to the Court of First Instance of the High Court against a District Judge's decision.

Field Audit and Investigation





The Field Audit and Investigation Unit is responsible for conducting field audits and investigations on businesses and individuals with a view to combating tax evasion and avoidance.

Back tax is assessed and penalties are generally imposed where discrepancies are detected. During 2006-07, the Field Audit and Investigation Unit completed 1,875 cases (including avoidance and prosecution cases) and assessed back tax and penalties of about $2.2 billion **(Figure 32)**.

Figure 32 Results of the Field Audit and Investigation Unit

	2003-04	2004-05	2005-06	**2006-07**
Number of cases completed	1,863	1,863	1,873	**1,875**
Understated earnings and profits ($m)	9,744.8	13,814.3	10,934.9	**10474.8**
Average understatement per case ($m)	5.2	7.4	5.8	**5.6**
Back tax and penalties assessed ($m)	2,059.2	2,828.2	2,118.3	**2,196.2**
Back tax and penalties collected ($m)	2,039.9	2,887.6	2,189.2	**2,444.6**

Field Audit



Field audit is conducted on both corporations and unincorporated businesses. The work of field auditors entails site visits to business premises and examination of accounting records of taxpayers in order to ascertain whether correct returns of profits have been made.

In 2006-07, there were 17 Field Audit sections.

Anti-Tax Avoidance

Two of the 17 Field Audit sections concentrate on tackling tax avoidance schemes, whereas other investigation officers and field auditors handle avoidance cases on an operational need basis.

During 2006-07, the Field Audit and Investigation Unit completed 195 tax avoidance cases and assessed back tax and penalties of about $778 million **(Figure 33)**.

Figure 33 Results of the Audit on tax avoidance cases

	2003-04	2004-05	2005-06	**2006-07**
Number of cases completed	196	213	209	**195**
Understated earnings and profits ($m)	3,769.3	7,507.6	4,542.3	**4,608.9**
Average understatement per case ($m)	19.2	35.2	21.7	**23.6**
Back tax and penalties assessed ($m)	636.2	1,375.7	624.2	**778.6**

Investigation



Investigation officers are responsible for conducting in-depth investigations where tax evasion is suspected, and taking penal action (including prosecution proceedings in appropriate cases) to create a deterrent to tax evasion.

In 2006-07, there were 5 Investigation sections.

Prosecution

One of the 5 Investigation sections focuses on criminal investigation of tax evasion.

Tax evasion is a serious crime. If a person is convicted of tax evasion, the Inland Revenue Ordinance provides for a maximum custodial sentence of three years.

In 2006-07, 3 prosecution cases were heard before the court. In the first case, a taxpayer was jailed for two months for false claims of dependent parent allowances and additional dependent parent allowances. In the second case, a businessman was sentenced to four months' imprisonment, suspended for 12 months, and fined $700,000, representing 147% of the tax evaded, for understating his business profits by inflating the amounts of purchases. In the third case, a taxpayer was sentenced to three months' imprisonment, suspended for two years, and fined a total of $30,000 for false claims of deduction for home loan interest and omissions of rental income.

Property Tax Compliance Checks



In addition to conducting audits on businesses, the Unit also carries out verification checks on the correctness of rental income reported by property owners. In 2006-07, the Department broadened the scope of review to cover cases with lower rental income. Compliance check was completed on 18,162 property tax cases **(Figure 34)**.

Figure 34 Results of the Property Tax Compliance Checks

	2003-04	2004-05	2005-06	**2006-07**
Number of cases completed	4,600	4,600	10,294	**18,162**
Understated rental income ($m)	194.0	194.0	330.1	**201.9**
Back tax and penalties assessed ($m)	23.3	23.3	40.9	**25.6**

Taxpayer Services



The Department aims to provide high quality customer-oriented services. Particular emphasis is placed on making relevant information readily available to taxpayers. Various means are used, such as the Internet, electronic enquiry services and an interactive telephone answering system.

IRD Homepage

www.ird.gov.hk

The IRD Homepage is an important channel for providing tax information and electronic services to the public. With contents expanded and updated regularly, the homepage provides a convenient means for taxpayers to obtain information about taxes in Hong Kong any time, anywhere.

Through the homepage, members of the public can:

- get information on how to complete tax returns, fulfil tax obligations and find solutions to common tax issues;
- download IRD software and tax forms; and
- use the interactive application software to compute their liability under salaries tax and personal assessment.

Other programmes introduced to the homepage include a Tax Representatives' Corner, as well as e-Seminars for employers, property owners and individual taxpayers.

Electronic Enquiry Services

The Department offers a wide range of electronic enquiry services which serve as convenient alternatives to enquiries in person or by post. Electronic enquiry services are not only available on the Internet to holders of digital certificates, they are also available on the telephone to holders of e-Tax Password. By using his Taxpayer Identification Number (TIN) and password, a taxpayer can use a touch-tone phone to check his personal tax information, including tax return lodgement status, assessment status, charge payment status and tax reserve certificate account balances. He can also request duplicate returns or assessment notices, payment confirmations or tax reserve certificate account statements any time, anywhere via the telephone.

Taxpayers can use the same TIN and password as an alternative to digital certificate to access the Interactive Tax Enquiry service under the Electronic Service Delivery Scheme and enquire about their personal tax information on the Internet.

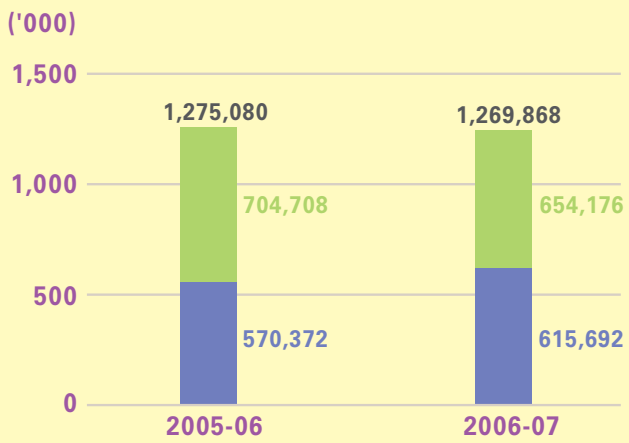
Telephone and Counter Enquiry Services

The Department's Enquiry Service Centre handles telephone and counter enquiries. The Centre, equipped with computer network, provides an immediate "one-stop" service as far as possible.

The Centre makes use of an Interactive Telephone Enquiry System with 120 telephone lines. Callers can, on a 24-hour basis, gain access to a wide range of tax information by listening to recorded messages or obtaining facsimile copies of the information and forms. Callers are able to speak to enquiry officers during office hours. Leave-and-call-back facility and fax-in enquiry service are also available.

About 1.27 million telephone calls were answered by the Centre during the year. The number of calls answered by staff was 0.65 million **(Figures 35** and **36)**.

Figure 35 Number of telephone calls answered





Answered by staff
Answered by system

Figure 36 Telephone Enquiries

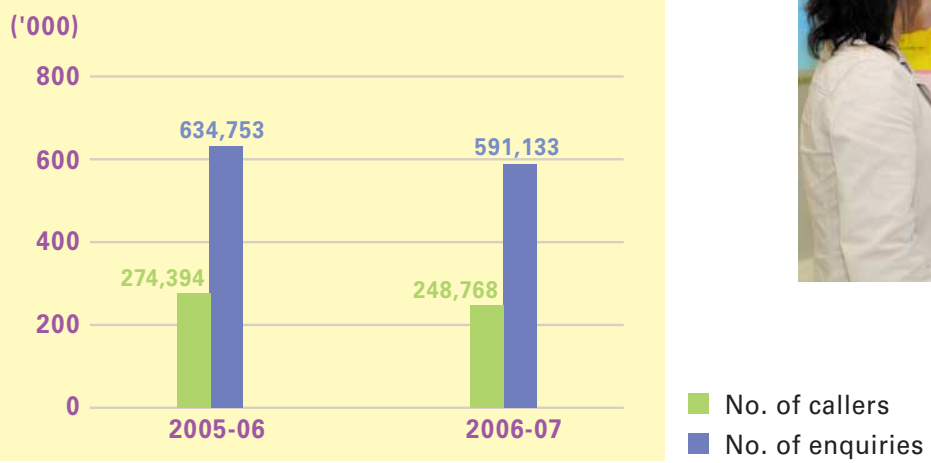
	2005-06	**2006-07**	Increase/Decrease
No. of calls answered by staff	704,708	**654,176**	-7.2%
No. of enquiries answered by staff	902,858	**717,361**	-20.5%
No. of calls answered by system	570,372	**615,692**	+7.9%
No. of leave-and-call back messages	67,118	**58,055**	-13.5%
No. of fax supplied by the system	8,481	**8,592**	+1.3%

Counter staff of the Centre are generally able to handle enquiries, collect mail and issue forms without the need to refer to other officers in the Department.

To facilitate the provision of quality counter enquiry service, the Centre has installed an electronic queuing system to enable taxpayers to be served according to tag numbers in sequence. The number of counter enquiries handled during the year was 0.59 million **(Figure 37)**.

To make it easier for taxpayers to obtain tax information and forms, two form stands are installed; one on the ground floor and the other on the first floor of the Revenue Tower.

Figure 37 Counter Enquiries





Tax-help Services for Completion of Tax Returns

On the web we arranged e-Seminars for tax representatives, employers, property owners and individual taxpayers. Information on how to complete tax returns, fulfil tax obligations and overcome difficulties in compliance are uploaded onto the IRD homepage to facilitate unlimited access by interested parties via computer terminals installed at home, office, Home Affairs Department, community halls or public libraries. Enquiries can be raised electronically at the "Q&A Column" on the homepage and replies will be made on a regular basis.

To further facilitate taxpayers' enquiries, the Department extended hours during which the telephone enquiry service was manned in May, until 7 p.m. from Mondays to Fridays and 5 p.m. on Saturdays.

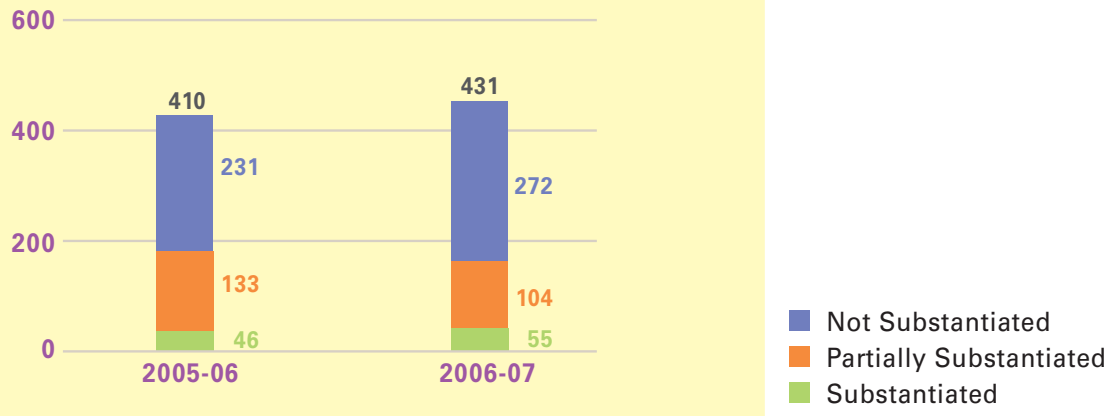
Complaints

If a taxpayer is dissatisfied with the services provided by the Department or cannot solve his or her problem satisfactorily through normal channels, the Complaints Officer may be approached for assistance. The complaint channel provides taxpayers with the means of having individual grievances dealt with independently at a senior level. This ensures that such cases are properly handled in a fair and unbiased manner. During 2006-07, 431 complaints cases were received **(Figure 38)**. This represents an increase of 5%, as compared with the previous year.

If a taxpayer is dissatisfied with any administrative action taken by the Department, the person concerned may refer the matter to the Ombudsman. During the year, the Ombudsman sought written comments from the Department in respect of 17 cases. In the light of these cases, the Department has reviewed relevant operations with a view to improving them.

There were 80 Letters of Compliments received during the year.

Figure 38 Complaint cases





Performance Pledges

The service standards a taxpayer can expect from the Department are set out in the Performance Pledges. Through the performance pledge programme, a customer-oriented culture has taken a strong hold within the Department.



Information Technology

The Department has been enhancing its efficiency, productivity and quality of services through application of advanced information technology (IT) and promotion of electronic services.

Information Systems

The Department completed the Workflow Management System Project in September 2006. The System automates the distribution of tasks relating to tax assessment objections, tax holdover claims and requests for waiving surcharge etc, and assists in the control and monitoring of the flow of work. It has enabled the Department to effectively track and monitor case progress to ensure that performance pledge targets are met and improve the overall service quality.

IT Enabled Workplace

The Department has a well-developed network of over 2,400 workstations, through which the staff can perform on-line enquiries and updating transactions, process assessments and work tasks allocated to them by the Workflow Management System. They can also have convenient access to the Document Management System to view the images of tax returns and other documents, or to the General Enquiry Knowledge Database for quick access to information and answers for enquiries. The network has greatly improved the efficiency of our day-to-day operations and the handling of general enquiries. To enhance operational efficiency and further reduce paper consumption, e-mail facilities and access to the Internet are provided to all staff of the Department.

Electronic Services

As in the past years, we continue to develop more convenient and user-friendly features for our e-services.

To facilitate taxpayers to use our e-services, application of e-Tax password can be made via the Internet or the 24-hour Automated Telephone Registration Hotline service. In addition, a new function was introduced in April 2006 to allow re-application for a new e-Tax Password via the Internet or telephone so as to help those taxpayers who have forgotten their passwords to regain access to our e-services conveniently.

The electronic tax return filing service has been further enhanced to offer a wider range of features to streamline the filing process. The 'Pre-filling of data' function makes the filing process easier and simpler. The 'Estimated salaries tax computation' function estimates the taxpayer's tax amount immediately upon his return submission to facilitate early planning for tax payment. Customer research reveals that these features are most popular.





The continuous improvements have increased the popularity of our e-services. The overall usage of the Department's e-services has increased by 44% as compared with the previous year. In particular, e-filing in the year has increased by nearly 65% to about 110,000 cases, e-stamping by 22% to over 165,000 transactions and e-applications for supply of information on Business Register by 78% to about 51,000 applications. Interactive tax enquiries and requests for related duplicate documents have also risen by 17% to around 37,000.

The provision of free software developed by the Department to employers for preparation and submission of annual returns in respect of employee's emoluments continued to attract more employers to use electronic means for filing returns. During the year, some 45,800 employers furnished electronic returns for about 2,400,000 employees. 34,100 of these employers used the free software provided by the Department.

Taxpayer Portal

To assist taxpayers in complying with their tax obligations easily, the Department has embarked on the project for setting up a Taxpayer Portal through which taxpayers will be able to have easy access to a complete range of personalised e-services via a single entry point on the Internet.

It is planned to implement the Taxpayer Portal by stages. The first stage will focus on the migration of current e-services provided under Electronic Services Delivery (ESD) Scheme to the Taxpayer Portal and the introduction of new e-services targeting at individuals. These include the issue of e-tax returns, e-assessment notices, e-reminders and e-receipts for tax payment. Also, taxpayers can lodge e-objections and e-holdover applications, make online enquiry on their personal tax position covering returns, assessments and payments, and perform online updating of their personal particulars. Value-added services will be introduced. For example, e-alert messages will be sent to users when their filing or payment due dates are approaching.



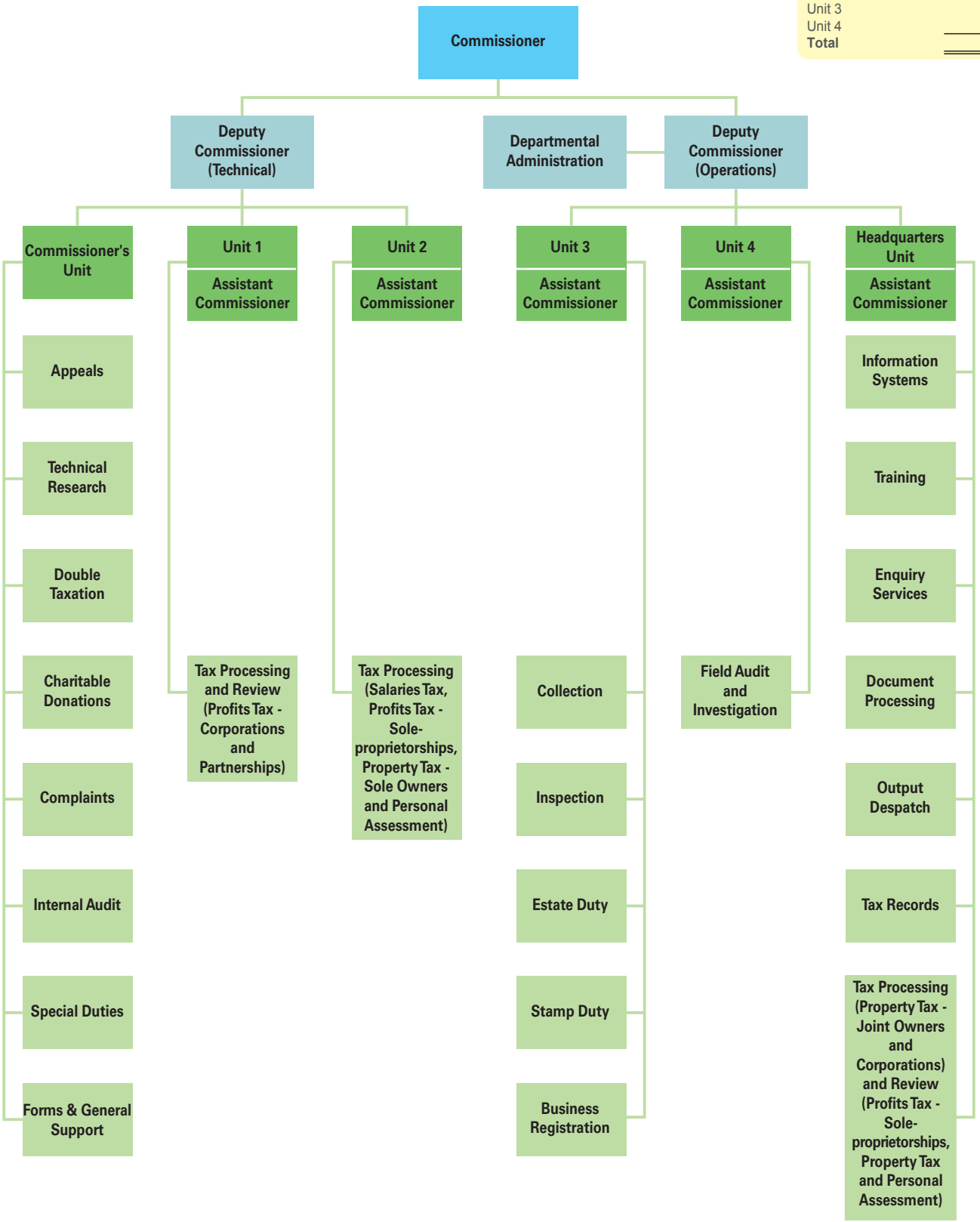
The Taxpayer Portal will be launched in January 2008 with the new and enhanced e-services rolled out by phases from early 2008 to early 2009.

Human Resources

Organisation Chart of Inland Revenue Department
as at 31.3.2007

Overall Establishement

	No. of Staff
Commissioner's Office	83
Commissioner's Unit	61
Headquarters Unit	682
Unit 1	321
Unit 2	811
Unit 3	644
Unit 4	246
Total	**2,848**



Establishment

The Commissioner, the two Deputy Commissioners and the five Assistant Commissioners form the top management of the Department.



As at 31 March 2007, the Department had an establishment of 2,848 permanent posts (including 25 posts for directorate officers) in the Commissioner's Office and 6 Units. Of the total, 1,804 posts were for departmental grades officers (namely Assessors, Taxation Officers and Tax Inspectors), who are required to perform duties directly concerned with taxation. The remaining 1,044 posts were for common/general grades officers, who provide supporting administrative, information technology and clerical services **(Figure 39)**.

Most of the professional officers serving in the Department were below the age of 45 **(Figure 40)**. The ratio of male to female professional officers was 1:1.32.

Figure 39 Staff Establishment

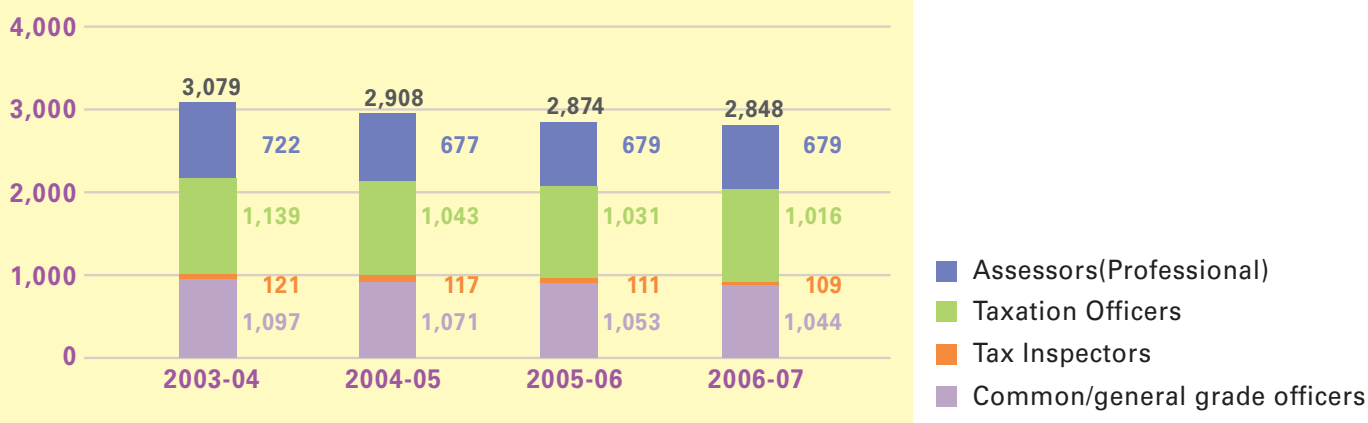


Figure 40 Age Profile of Professionals (on Strength Basis)

Age Group	Male		Female		Total	
Below 25	0	**(0%)**	2	**(1%)**	2	**(0%)**
25 to below 35	37	**(13%)**	78	**(21%)**	115	**(18%)**
35 to below 45	111	**(41%)**	152	**(42%)**	263	**(41%)**
45 to below 55	111	**(41%)**	122	**(34%)**	233	**(37%)**
55 and over	15	**(5%)**	8	**(2%)**	23	**(4%)**
Total	274	**(100%)**	362	**(100%)**	636	**(100%)**

Staff Promotions and Turnover

In 2006-07, a total of 44 departmental grades officers (including 3 officers promoted to directorate posts and 41 to non-directorate posts) and 3 general grades officers were promoted. 38 officers were transferred to the Department and 77 officers left the Department.

Training and Development

Staff training and development continued at a high level in 2006-07. Officers are offered training courses covering a wide range of subjects, including professional taxation and accounting knowledge, interpersonal skills, languages, etc. In 2006-07, a total of 11,241 man-days were undertaken by staff which is equivalent to about 3.9 man-days per staff. Highlights of the training programmes are:

- Induction courses for all grades of staff upon their joining the Department
- Induction courses and on-the-job training provided by respective units to new officers and transferees
- Two-part taxation law and practice course with formal examinations for the newly appointed assistant assessors
- Briefing sessions held upon implementation of legislative amendments or launch of new services
- Workshops on "Achieving Service Excellence" for frontline staff
- Workshops on "Effective English Writing Skills" for assessing officers and tax inspectors
- Workshops on "Performance Management" for newly promoted assessors
- Workshops on "Performance Appraisal Writing and Interview" for newly promoted taxation officers
- Conversation tutorials, elementary and intermediate courses on Putonghua for staff of different ranks
- Computer applications studies available for all staff

Continuing Professional Education

The in-house Continuing Professional Education (CPE) Programme maintained its popularity and high attendances in the year. Eleven sessions were held under the CPE Programme, covering a wide range of subjects including Double Taxation Arrangement, customer services, Hong Kong Accounting Standards, significant tax cases and complex tax issues. Speakers for six of the seminars were staff members and the other speakers were experts from various fields. A total of 2,337 staff attended these 11 seminars. The video files of the CPE seminars were uploaded onto the Intranet so that all officers can view these seminars at their convenient time.

To familiarise the professional officers with the "Arrangement between the Mainland and the Hong Kong SAR for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income" signed between the Mainland and Hong Kong in August 2006, the Training Committee organised a large-scale seminar on this topic at the Hong Kong Convention and Exhibition Centre under the CPE Programme in January 2007. The seminar was presented by the Commissioner, Deputy Commissioner (Technical) and the two Assistant Commissioners from Unit 1 and Unit 2. It attracted an attendance of 570 professional officers which represented over 80% of the professional officers working in the department.

Overseas and China Training

The Department continues to put emphasis on the international dimension of our tax administration to enable our professional officers to have necessary knowledge to deal with the increasing number of new global issues.

During 2006-07, 16 professional officers attended overseas courses in Korea, Malaysia, Chinese Taipei and the United States of America. In addition, 2 professional officers attended a course at Tsinghua University and the Foreign Affairs Studies Programme in Beijing, and 1 senior system manager attended the Yantian International Container Terminals and Shenzhen Metro Study Visit in Shenzhen.

Other Training

The Department encourages and sponsors officers to attend seminars and courses organised by academic and professional institutes. During 2006-07, 183 officers were sponsored by the Department to attend such seminars. Officers also attended various courses on English language, Chinese writing skills, human resources development, national studies, etc. organised by the Civil Service Training and Development Institute (CSTDI).

In addition to classroom training, the Department also encourages staff to take the web courses provided by CLC Plus of CSTDI, to promote the culture of continuous self-learning among our colleagues. Training materials and information were uploaded onto our Intranet for officers to study at their own time and pace. This provides an effective way for the staff to acquire new knowledge and review what they have learnt.

Staff Relations and Welfare

To focus the Department's efforts on staff relations and welfare with an ultimate goal to providing quality service to the public, the importance of effective communication with staff at different levels cannot be too greatly stressed.

The Departmental Consultative Committee (DCC)

The Committee is chaired by the Deputy Commissioner (Operations) and comprises representatives from all staff unions/associations and staff groups in the Department. In addition to making contacts and distributing correspondence for sharing of views on ad hoc issues, the Committee holds its

meetings regularly where staff and management exchange their views on a wide range of topics of mutual concern. Staff representatives are free to raise their subjects for discussion and management is open and ready to share its views on different major issues including recruitment, promotion, career posting, training, working environment, staff welfare and service-wide matters. The Committee provides a formal and effective forum for the staff and management to enhance mutual communication thereby providing better understanding and co-operation. Taking the Department's switching to a five-day week operation as an example, the success of the initial implementation and the subsequent review of the new arrangements was largely attributable to the frequent and thorough deliberations of the Committee.

The General Grades Consultative Committee (GGCC)

The Committee, chaired by the Departmental Secretary, was first set up in 1999 to enhance mutual communication and sharing of views between the management and the clerical and secretarial grades staff, who form a significant part of the Department's establishment. Regular meetings are held to discuss a variety of issues, including those which are unique to the general grades and facilitate effective implementation of management initiatives. The Committee serves as a platform for the general grades staff to voice out their concerns and the management to collect useful feedback.

The "Meet-the-Staff Programme"

First launched in 1996-97, this Programme enables the senior management of each Unit and staff of different groups to meet regularly for exchanging views on departmental and service-wide issues in an open and relaxed manner. It serves to supplement the formal consultative channel and further enhances communication between the staff and management.

The IRD Staff Suggestion Scheme

During 2006-07, 22 suggestions were received with 5 of the proponents concerned granted different levels of cash awards and certificates of commendation in recognition of their contributions and efforts. The accepted suggestions helped to bring about financial savings and improvement in work efficiency in the Department and were all implemented with rewarding results.

The Inland Revenue Department Newsletter

The departmental newsletter is published quarterly to serve as another channel of communication between the staff and management and to promote a sense of belonging in the Department. It disseminates both service-related matters and recreational activities through articles and contributions from staff and unit management. It also provides a quarterly round-up of the recreational activities organised by the Department's Sports Association.



The Inland Revenue General Staff Welfare Fund (IRGSWF)

The Inland Revenue General Staff Welfare Fund was established voluntarily by a group of staff in 1972. It operates on funds donated by staff on a voluntary basis. With the endorsement of the Claims Sub-committee, which is formed to consider applications for financial assistance, small amounts of interest-free loans and grants can be provided as an additional source of relief to help staff with unexpected financial difficulties.

Commissioner's Commendation Letters Scheme

In 2006-07, 57 officers who had provided outstanding service for a reasonably long period of time were awarded the Commissioner's Commendation Letter in recognition of their exemplary performance in the Civil Service. The presentation ceremony was held in March 2007.

SCS's Commendation Award 2006

In 2006, one officer was awarded the SCS's Commendation in recognition of her consistently outstanding service and exemplary performance for 5 consecutive years. The presentation ceremony was held in November 2006.

The Long and Meritorious Service Travel Awards Scheme

In 2006-07, 38 officers with long and meritorious service were granted awards of overseas travel, together with their spouses, under the Long and Meritorious Service Travel Award Scheme.

The IRD Sports Association

Throughout the year, the IRD Sports Association continued to provide our members with quality as well as enjoyable and recreational activities, including sports competitions, sports courses, thematic talk, day tours, lunchtime fitness series and lunchtime health talk, interest classes and workshops.





With 70% of IRD staff as members, the Association has strived to achieve and successfully achieved its goal of promoting the intellectual, social and athletic interests of our colleagues. In order to better serve our members, Life membership for our retiring members was introduced in this year. Members retiring can choose for admission as a life membership upon payment of a one-off membership subscription. The new membership system saves retirees of the annual membership renewal procedures. The retired members can continue to support, participate and enjoy the activities organised by the Association.

The Association is strongly committed not just to its members but also the community. During the year 2006-07, the Association and the IRD Volunteer Team have continued to actively participate in various fund raising activities for Hong Kong Rehabilitation Power, Children's Cancer Foundation and The Hong Kong Society for the Blind.



This year, the Department was awarded again the Caring Organisation Logo for 2006-07 by the Hong Kong Council of Social Service to in recognition of the care and volunteering spirit demonstrated by our colleagues.

同心展關懷 2006/07
caringorganisation
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Legislative Amendments

The following Ordinances enacted during the year were concerned with matters administered by the Department.



Revenue Ordinance 2006 (No. 13 of 2006)

This Ordinance amended the Inland Revenue Ordinance to give effect to the following proposals in the 2006-07 Budget:

1. to extend the entitlement period for home loan interest deduction from 7 years to 10 years with effect from the year of assessment 2005-06; and

2. from the year of assessment 2006-07, lower the marginal rates of the second, third and top tax bands by one percentage point from the existing levels of 8%, 14% and 20% to 7%, 13% and 19% respectively.

Betting Duty (Amendment) Ordinance 2006 (No. 17 of 2006)

This Ordinance amended the Betting Duty Ordinance to empower the Secretary for Home Affairs to authorize cash-sweeps and betting on horse races; to change the name of "Football Betting and Lotteries Commission" to "Betting and Lotteries Commission" and to extend the function of the Commission to matters relating to the conduct of betting on horse races; to charge, in relation to authorized betting on horse races, a duty on the net stake receipts derived from the conduct of such betting; to empower the Collector of Stamp Revenue to correct an assessment of betting duty charged in relation to authorized betting on horse races and football matches; and to provide for related matters.

Specification of Arrangements (Double Taxation) Order under section 49 of the Inland Revenue Ordinance

Country / Region	Date of Order	Nature
Mainland of China	17 October 2006	Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

Legal Notices to fix the rate of interest payable on Tax Reserve Certificates

Legal Notice No.	Periods in force	Annual rate of interest
237 of 2005	3 January 2006 to 3 December 2006	2.8500%
263 of 2006	4 December 2006 to 4 January 2007	2.6000%
19 of 2007	5 February 2007 to 4 March 2007	2.6167%
35 of 2007	On or after 5 March 2007	2.6000%

Environmental Report

Green Management Policy

Consumption of paper and energy in the office remain to be the Department's green targets in view of its office-based operations. The Department has adopted the following principles to ensure that its services to the public as well as its internal operations are conducted in an environmentally responsible manner:

(1) All the Department's operations will comply with the relevant environmental protection ordinances.

(2) The Department will avoid, reduce or control environmental pollution arising from its day-to-day work practice. In particular, it will exercise the principle of "Reduce, Reuse and Recycle" in the consumption of materials.

(3) The Department will require its contractors to implement sound environmental management systems and pollution control measures.

(4) The Department will ensure that all staff are aware of its Green Management Policy and will provide information about its Policy and initiatives to those who are interested.

(5) The Department will provide training for staff to increase awareness and promote continual improvement in protecting the environment and preventing pollution.

Green Management and Promotion of Green Awareness

Green Management

The Environment and Records Management Committee is chaired by the Departmental Secretary and comprised green executives from Units and Sections. During the year, the Committee continued to seek staff suggestions, set directions in our green policies and issued green office guidelines while the appointed floor green ambassadors assisted the Department's Green Manager in promoting green awareness and implementing environmental programmes on a floor basis.

Green Education

Various measures were taken during the year to encourage staff to develop a healthy working environment, including:

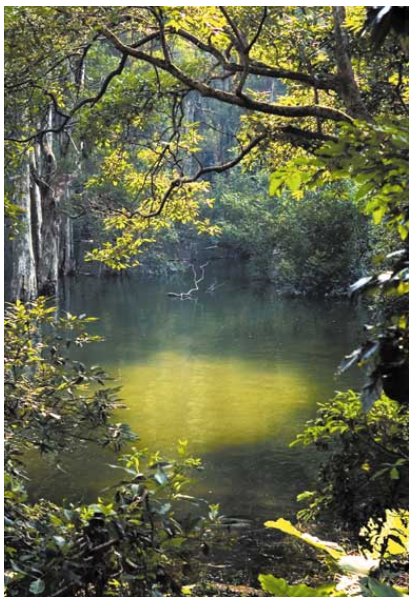
(1) Regular updating of environmental protection promotional materials displayed on notice boards;

(2) Affixing stickers reminding good environmental practice next to the relevant facilities;



(3) Releasing updated environmental protection information in the "Green Corner" of the Department's Intranet; and

(4) Regular dissemination of "Green Tips" via e-mail to advise staff on constructive and effective measures to make green achievements in their daily living.



The Department also participated in various activities such as "Green Day" which was held by the Community Chest in order to arouse our staff's awareness on environmental protection.

The IRD Sports Association assisted in promoting green awareness and healthy living among staff by organising a variety of activities in the year, including thematic talks, visit to the Fanling Environmental Resource Centre, and outings in the countryside.

Environmental Protection Performance

To balance operational needs with environmental care and social responsibility, the Department focused its efforts on maintaining a healthy working environment with satisfactory air quality, and on attaining energy saving, reduction of paper consumption and waste minimisation and recovery.

Working Environment

The smoke-free workplace policy was continued in the Department with all indoor areas being smoke-free. Non-smoking signs were displayed at conspicuous locations. Departmental circulars were re-circulated regularly to staff to remind them of the importance of maintaining a smoke-free working environment as well as providing green healthy public areas to visitors. Noisy equipment were relocated to the Document Processing Centre where it would not disturb staff at work.

Air Quality

In 2005, the Electrical and Mechanical Services Department conducted an "Indoor Air Quality Measurement" in the Department's offices located in the Revenue Tower and graded the quality of the air therein as "Good". The results indicated that the Department had complied with the requirements of four key elements used to indicate indoor air quality as recommended by the Environmental Protection Department, namely the intensity of Carbon Dioxide, Air-borne Dust Particulate, Radon and Total Viable Count. Similar exercise is being carried out in the Department in late 2007.

Energy Saving

Upon the Department's switching to the five-day week operation mode, timers were adjusted to switch off the lights in the corridors and lift lobbies on both Saturdays and Sunday to reduce electricity consumption. Other measures were also taken during the year to conserve energy, including arranging the last-man-out after office hours to switch off electric facilities, identifying and replacing defective equipment, and turning off lights in storage areas and other electric appliances after use. According

to the instruction of Environment, Transport and Works Bureau, the air-conditioned room temperature continued to be set at 25.5°C during the year. The electricity consumption of the year had dropped by some 233,600 kWh as compared with the previous year.



Waste Minimisation and Recovery

The Department continued to collect waste collectively and effectively. Bags and boxes were placed at various conspicuous locations to facilitate the collection of recyclable paper, aluminium cans and plastic bottles. Used printer cartridges were also collected for recycling. The Department collected some 242,879 kg of waste paper, 28.76 kg of aluminium cans, 23.41 kg of plastic bottles and 6,908 used printer cartridges in the year.

Reduction of Paper Consumption

The Department continued to adopt the following measures in the year to reduce its paper and envelope consumption:

- Encourage staff to minimise photocopying and use both sides of paper.
- Reduce submission of paper forms with the launching of e-Leave System in July 2004.
- Encourage both internal and external communication by e-mail and floppy diskettes.
- Make optimum use of the Department's Intranet to enable more environmental friendly, and speedy internal information transmission. Administrative Instructions, Staff Handbooks, training materials, reference materials, guidelines, monthly reports, meeting minutes etc were uploaded onto the Intranet to facilitate updating and retrieval on-line, and dispense with the keeping of personal hard copies.
- Encourage staff to use recycled paper instead of virgin paper.
- Circulate and re-circulate Departmental and Unit Circulars / Circular Memoranda / Posting Notices by e-mail.
- Replace the pre-printed forms with templates or use overlay printing. The templates of the forms are uploaded onto the Intranet so that the forms can be printed as and when required.
- Promote the use of multiple screen method in printing on-line enquiries.
- Encourage the public to file tax returns electronically or through other media like diskettes and use the Department's electronic services under the Electronic Service Delivery Scheme.

- Develop the Computer Output On-line Retrieval System to facilitate on-line report viewing, thus obviating the need for printing computer reports in hard copy. The consumption of computer plain stationery for printing computer reports in this year had dropped by some 58,440 folds as compared with the previous year.

- Review the need for the preparation of periodical reports, the distribution lists of outgoing correspondence and hard copies required for circulation.

- Launch e-Seminars for employers and tax representatives to reduce paper consumption by obviating the need to print invitation letters, tickets and handouts.



New Initiatives and Targets

The Department will strive to enhance its green performance through formulating and taking forward new initiatives and targets for environmental protection. The Intranet and the Departmental Portal will be widely utilised by the Department for the enhancement of e-office facilities. Continuous efforts will be made to economise on the consumption of electricity and paper, as well as promoting use of recycled paper and green products.

Miscellaneous

Charitable Institutions

Charitable institutions are exempt from tax under the Inland Revenue Ordinance. As at 31 March 2007, the number of charities exempt from tax was 4,832, of which 484 charities were granted exemption during the year. The list of charities exempt from tax is available on IRD Homepage.

Donations to charities exempt from tax may be tax deductible. For the year of assessment 2005-06, the amounts of approved charitable donations allowed under Profits Tax and Salaries Tax were $1.79 billion and $3.40 billion respectively.

General Inspection

Tax inspectors carry out on-site inspections of businesses and call on individuals to check their compliance with the various Ordinances administered by the Department. A total of 90,449 visits were made during the year.

Internal Audit

Internal auditors perform an important role within the Department. Their activities are directed at ensuring that work carried out within the Department complies with relevant legislation and departmental procedures. They also examine internal control systems and work methods with a view to identifying areas where changes can be made to improve output and efficiency.



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SCHEDULE 1 EARNINGS & PROFITS TAX – TAX ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2007

	Property Tax	Salaries Tax	Profits Tax (Corporations)	Profits Tax (Unincorporated Businesses)	Personal Assessment	Total
	($)	($)	($)	($)	($)	**($)**
Tax assessed during the year -						
2004 - 05 and earlier years	61,262,786	269,563,814	8,443,662,692	790,949,808	490,057,798	**10,055,496,898**
2005 - 06 Final Tax only	116,834,120	358,160,733	(1,768,053,425)	1,461,571,836	3,137,836,929	**3,306,350,193**
2006 - 07 Provisional Payments and Final Tax	1,139,658,102	40,390,288,438	66,834,213,124	4,119,778,789	988,404	**112,484,926,857**
Total Tax Assessed	**1,317,755,008**	**41,018,012,985**	**73,509,822,391**	**6,372,300,433**	**3,628,883,131**	**125,846,773,948**
Add: Collectables -						
Tax outstanding as at 31 March 2006 b/f	352,739,119	7,634,370,528	40,360,223,468	2,820,918,635	674,478,764	**51,842,730,514**
Surcharge, Compound Penalty and Additional Tax imposed and Costs awarded by the Board of Review	13,546,363	247,291,473	527,775,326	220,450,278	8,652,184	**1,017,715,624**
Interest on Tax Heldover	11,151	2,978,535	77,257,337	2,183,965	1,313,581	**83,744,569**
Write-off re-opened	2,874,172	49,542,889	17,537,974	12,921,870	3,525,247	**86,402,152**
Total of Tax Assessed and Collectables (a)	**1,686,925,813**	**48,952,196,410**	**114,492,616,496**	**9,428,775,181**	**4,316,852,907**	**178,877,366,807**
Collections during the year -						
Net Tax collected	1,233,769,274	38,337,580,381	64,948,455,320	6,199,432,375	3,556,787,760	**114,276,025,110**
(After allowing for refunds of tax)	90,999,070	1,555,207,828	3,504,092,063	153,408,125	208,794,814	**5,512,501,900**
Surcharge, Compound Penalty, Additional Tax and Costs awarded by the Board of Review	13,584,998	246,512,129	497,187,311	218,155,436	7,965,008	**983,404,882**
Interest on Tax Heldover	18,603	1,499,472	54,029,201	1,784,257	868,757	**58,200,290**
Total Net Collections (b)	**1,247,372,875**	**38,585,591,982**	**65,499,671,832**	**6,419,372,068**	**3,565,621,525**	**115,317,630,282**
Balance of Tax, Surcharge, etc. payable (a) - (b)	439,552,938	10,366,604,428	48,992,944,664	3,009,403,113	751,231,382	**63,559,736,525**
Less: Not collected by virtue of set-off	98,572,397	1,981,247,527	-	234,944,040	-	**2,314,763,964**
Written-off as irrecoverable	9,797,974	179,545,704	384,554,112	97,973,887	29,888,535	**701,760,212**
Tax, Surcharge, etc. outstanding as at 31 March 2007 carried forward	331,182,567	8,205,811,197	48,608,390,552	2,676,485,186	721,342,847	**60,543,212,349**
Less: Under objection or appeal	10,899,279	1,154,099,096	32,758,175,348	1,387,890,082	256,237,138	**35,567,300,943**
Listed for write-off but awaiting approval	811,028	515,230	6,126,438	3,676,928	638,483	**11,768,107**
Assessed but not yet due	193,365,064	5,268,044,850	13,330,844,087	488,380,679	237,223,264	**19,517,857,944**
Net Tax, Surcharge, etc. in arrears as at 31 March 2007	**126,107,196**	**1,783,152,021**	**2,513,244,679**	**796,537,497**	**227,243,962**	**5,446,285,355**

SCHEDULE 2 EARNINGS & PROFITS TAX – DEMAND NOTES ISSUED, TAX ASSESSED AND COLLECTIONS

	2003 - 04		2004 - 05		2005 - 06		2006 - 07	
	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed	No. of Demand Notes	Tax Assessed
		($'000)		($'000)		($'000)		**($'000)**
Profits Tax -								
Corporations	69,412	47,512,511	72,100	58,429,138	81,148	71,354,676	**88,399**	**73,509,822**
Unincorporated Businesses	24,170	5,621,824	26,995	5,763,997	29,037	4,838,054	**30,837**	**6,372,301**
Salaries Tax	1,132,251	29,258,733	1,134,282	36,030,080	1,202,439	39,223,355	**1,209,414**	**41,018,013**
Property Tax	83,596	1,213,078	86,308	1,185,331	92,430	1,352,414	**92,248**	**1,317,755**
Personal Assessment	156,621	2,767,391	148,515	3,009,051	154,096	3,186,300	**157,354**	**3,628,883**
Total	**1,466,050**	**86,373,537**	**1,468,200**	**104,417,597**	**1,559,150**	**119,954,799**	**1,578,252**	**125,846,774**

	2003 - 04	2004 - 05	2005 - 06	2006 - 07
	Collections	Collections	Collections	Collections
	($'000)	($'000)	($'000)	**($'000)**
Profits Tax -				
Corporations	43,666,300	52,562,153	65,586,079	**65,499,672**
Unincorporated Businesses	5,103,643	6,077,500	4,210,430	**6,419,372**
Salaries Tax	27,976,858	33,990,543	37,493,868	**38,585,592**
Property Tax	983,039	1,115,605	1,267,061	**1,247,373**
Personal Assessment	2,744,420	2,963,409	3,193,951	**3,565,621**
Total	**80,474,260**	**96,709,210**	**111,751,389**	**115,317,630**

SCHEDULE 3 CORPORATIONS – PROFITS TAX CONTRIBUTIONS FROM VARIOUS BUSINESS SECTORS

Business Sectors	Final Tax Assessed for Year of Assessment					
	2003 - 04		2004 - 05		2005 - 06	
	($'000)	(%)	($'000)	(%)	**($'000)**	**(%)**
Distribution -						
Retail	983,304	2.1	1,510,547	2.6	**1,547,231**	**2.4**
Wholesale, Import and Export	10,618,007	22.9	13,035,774	22.4	**14,285,721**	**22.6**
Foreign Corporations carrying on Import and Export	137,020	0.3	146,127	0.3	**86,293**	**0.1**
Public Utilities	4,270,022	9.2	4,631,898	7.9	**4,762,618**	**7.5**
Estate Development, Investment and Finance (other than Banking)	6,619,692	14.3	9,616,068	16.5	**10,691,680**	**16.9**
Banking	9,749,419	21.0	12,567,705	21.6	**14,433,836**	**22.8**
Manufacturing -						
Clothing and Textiles	1,034,441	2.2	1,132,770	1.9	**1,046,526**	**1.7**
Food and Beverage Products	229,599	0.5	240,135	0.4	**343,562**	**0.5**
Steel and Other Metals	338,611	0.7	343,395	0.6	**328,222**	**0.5**
Printing and Publishing	530,500	1.1	504,192	0.9	**531,315**	**0.8**
Others	3,521,057	7.6	3,590,440	6.2	**3,709,182**	**5.9**
Shipping (including Shipping Agents, Shipbuilding, Docking, Travel Agents, Air Forwarding Agents and Airline Booking Agents)	788,099	1.7	1,259,689	2.2	**1,437,219**	**2.3**
Hotels, Restaurants and Amusement Centres	594,699	1.3	983,377	1.7	**1,218,472**	**1.9**
Stevedoring, Wharfing and Godowns	1,178,643	2.5	1,235,204	2.1	**1,047,205**	**1.7**
Clubs and Associations	315,538	0.7	469,521	0.8	**486,787**	**0.8**
Insurance Companies	554,604	1.2	699,884	1.2	**700,047**	**1.1**
Non-resident Corporations Trading through Agents (including Consignment Tax)	716,047	1.5	1,096,684	1.9	**1,164,822**	**1.8**
Building Contractors and Engineering Works	898,178	1.9	960,750	1.7	**964,214**	**1.5**
Aircraft Owners and Operators	121,103	0.3	52,886	0.1	**44,553**	**0.1**
Taxis, Hire Cars, Public Light Buses and Motor Boats	74,702	0.2	105,839	0.2	**126,820**	**0.2**
Miscellaneous	3,178,217	6.8	3,960,170	6.8	**4,355,391**	**6.9**
Total	**46,451,502**	**100.0**	**58,143,055**	**100.0**	**63,311,716**	**100.0**

SCHEDULE 4 UNINCORPORATED BUSINESSES – PROFITS TAX CONTRIBUTIONS FROM VARIOUS BUSINESS SECTORS

Business Sectors	Final Tax Assessed for Year of Assessment					
	2003 - 04		2004 - 05		2005 - 06	
	($'000)	(%)	($'000)	(%)	**($'000)**	**(%)**
Estate Developers, Property Dealers, Estate Agents and Subletting Businesses	20,065	1.1	107,619	4.8	**150,760**	**6.0**
Finance and Securities including Brokers, Dealers and Insurance Agents	138,152	7.7	154,965	6.9	**163,679**	**6.5**
Builders, Decorators and Civil Engineering Works	32,550	1.8	36,399	1.6	**25,265**	**1.0**
Distribution -						
Import and Export	99,147	5.5	105,021	4.6	**99,273**	**3.9**
Wholesale	37,061	2.1	45,418	2.0	**42,655**	**1.7**
Retail	105,686	5.9	142,624	6.3	**151,589**	**6.0**
Manufacturing -						
Agricultural Trades and Food & Beverage Products Manufacturers	2,445	0.1	1,663	0.1	**1,810**	**0.1**
Cloth and Clothing	21,364	1.2	22,168	1.0	**24,491**	**1.0**
Chemical Products and Mechanical Engineering	36,448	2.0	38,179	1.7	**46,637**	**1.8**
Printing and Publishing	10,647	0.6	19,101	0.8	**16,292**	**0.6**
Others	38,714	2.2	48,754	2.2	**36,798**	**1.5**
Hotels, Restaurants and Amusement Centres	30,837	1.7	34,847	1.5	**35,344**	**1.4**
Transport (including Wharfing and Godowns)	32,213	1.8	38,398	1.7	**37,406**	**1.5**
Professions -						
Accountants	190,824	10.6	259,519	11.5	**316,992**	**12.5**
Architects, Engineers, Surveyors etc.	10,137	0.6	9,663	0.4	**9,606**	**0.4**
Doctors and Dentists	494,157	27.5	593,347	26.3	**650,719**	**25.7**
Solicitors and Barristers	412,455	23.0	494,439	21.9	**602,259**	**23.8**
Other Professions	74,826	4.2	95,577	4.2	**106,638**	**4.2**
Miscellaneous	7,330	0.4	11,273	0.5	**9,862**	**0.4**
Non-resident Businesses (Note)	32	-	29	-	**55**	**-**
Total	**1,795,090**	**100.0**	**2,259,003**	**100.0**	**2,528,130**	**100.0**

Note : Consignment Tax under Section 20A(3) of the Ordinance

SCHEDULE 5 ANALYSIS OF SALARIES TAX ASSESSMENTS FOR THE YEAR OF ASSESSMENT 2005 – 06 BY INCOME GROUP

Annual Income	No. of Taxpayers	Percentage of Taxpayers	No. of Elections for Joint Assessment	Total Income (After Deductions other than Self Education Expenses and Concessionary Deductions)	Total Allowances (See analysis per Schedule 6)	Self Education Expenses	Concessionary Deductions				Total Net Chargeable Income	Final Tax	Percentage of Total Final Tax	Average Tax per Taxpayer
							Total Donations to Charities	Home Loan Interest	Elderly Residential Care Expenses	Contributions to Recognized Retirement Scheme				
($)		(%)		($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	(%)	($)
100,001 - 110,000	44,702	3.57	0	4,721,862	4,470,200	2,125	2,842	522	14	54,687	191,472	3,812	0.01	**85**
110,001 - 120,000	58,684	4.69	0	6,769,908	5,869,480	18,463	13,581	10,025	65	144,555	713,739	14,252	0.04	**243**
120,001 - 130,000	50,937	4.07	0	6,373,905	5,099,895	35,998	19,153	28,426	155	148,715	1,041,563	20,810	0.05	**409**
130,001 - 140,000	46,591	3.72	0	6,280,598	4,734,395	49,250	22,309	48,899	253	152,495	1,272,997	30,924	0.08	**664**
140,001 - 150,000	45,670	3.65	0	6,617,599	4,749,155	70,922	27,810	75,342	685	176,089	1,517,596	51,015	0.13	**1,117**
150,001 - 180,000	127,297	10.17	0	21,013,325	13,966,723	236,491	101,089	389,266	2,896	566,915	5,749,945	273,211	0.69	**2,146**
180,001 - 210,000	106,880	8.54	1,568	20,804,159	13,049,566	230,594	115,784	480,687	4,696	578,466	6,344,366	421,323	1.06	**3,942**
210,001 - 240,000	110,162	8.80	6,383	24,762,036	15,299,814	257,674	162,289	635,373	10,618	639,453	7,756,815	641,758	1.62	**5,826**
240,001 - 270,000	94,810	7.57	10,059	24,111,182	14,907,930	202,230	166,900	612,694	10,162	562,724	7,648,542	730,314	1.84	**7,703**
270,001 - 300,000	77,239	6.17	10,820	21,974,802	13,309,760	182,921	148,005	592,702	11,461	497,747	7,232,206	768,205	1.93	**9,946**
300,001 - 400,000	186,617	14.91	29,196	64,178,087	35,233,829	484,185	491,408	2,042,875	42,700	1,308,279	24,574,811	3,123,218	7.86	**16,736**
400,001 - 500,000	100,210	8.01	13,343	44,415,453	20,047,375	306,170	391,736	1,616,149	37,854	723,993	21,292,176	3,211,311	8.08	**32,046**
500,001 - 600,000	56,915	4.55	5,991	30,909,239	11,437,989	167,708	284,192	975,055	25,409	427,704	17,591,182	2,906,940	7.32	**51,075**
600,001 - 700,000	36,448	2.91	2,959	23,611,798	7,321,222	102,937	220,649	678,141	18,387	247,891	15,022,571	2,611,275	6.57	**71,644**
700,001 - 800,000	21,256	1.70	1,790	15,834,583	4,233,918	51,182	133,555	410,936	9,605	150,166	10,845,221	1,926,606	4.85	**90,638**
800,001 - 900,000	15,919	1.27	1,094	13,466,570	2,862,380	31,264	110,267	310,640	5,854	98,224	10,047,941	1,763,408	4.44	**110,774**
900,001 - 1,000,000	12,581	1.01	815	11,930,818	2,111,630	23,475	93,743	260,048	4,915	73,608	9,363,399	1,640,853	4.13	**130,423**
1,000,001 - 1,500,000	32,331	2.58	1,588	38,852,053	4,374,196	57,490	292,907	698,961	10,547	189,801	33,228,151	5,720,043	14.40	**176,921**
1,500,001 - 2,000,000	11,165	0.89	203	19,023,115	637,630	13,365	132,438	238,399	3,253	68,336	17,929,694	2,949,774	7.42	**264,198**
2,000,001 - 3,000,000	7,991	0.64	31	19,239,582	27,875	5,878	122,281	138,747	1,913	48,249	18,894,639	3,026,873	7.62	**378,785**
3,000,001 - 5,000,000	4,186	0.33	6	15,761,960	600	2,161	102,760	52,510	783	25,766	15,577,380	2,492,372	6.27	**595,407**
5,000,001 - 7,500,000	1,614	0.13	2	9,725,387	0	538	52,071	16,624	100	9,117	9,646,937	1,543,509	3.88	**956,325**
7,500,001 - 10,000,000	623	0.05	1	5,338,285	0	223	29,749	5,863	19	3,714	5,298,717	847,794	2.13	**1,360,826**
10,000,001 & over	921	0.07	2	19,014,770	0	248	157,844	8,397	60	5,330	18,842,891	3,013,201	7.58	**3,271,662**
Total	**1,251,749**	**100.00**	**85,851**	**474,731,076**	**183,745,562**	**2,533,492**	**3,395,362**	**10,327,281**	**202,404**	**6,902,024**	**267,624,951**	**39,732,801**	**100.00**	**31,742**

SCHEDULE 6 ANALYSIS OF ALLOWANCES FOR THE YEAR OF ASSESSMENT 2005 – 06 BY INCOME GROUP

Annual Income	Basic Allowance	Married Person's Allowance	Child Allowance	Dependent Brother/ Sister Allowance	Single Parent Allowance	Dependent Parent Allowance	Additional Dependent Parent Allowance	Dependent Grandparent Allowance	Additional Dependent Grandparent Allowance	Disabled Spouse Allowance	Disabled Parent Allowance	Disabled Grandparent Allowance	Disabled Child Allowance	Disabled Brother/ Sister Allowance	Total Allowances
($)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	**($'000)**
100,001 - 110,000	4,470,200	0	0	0	0	0	0	0	0	0	0	0	0	0	**4,470,200**
110,001 - 120,000	5,868,400	0	0	0	0	1,080	0	0	0	0	0	0	0	0	**5,869,480**
120,001 - 130,000	5,093,700	0	0	0	0	6,180	0	15	0	0	0	0	0	0	**5,099,895**
130,001 - 140,000	4,659,100	0	100	13,830	0	44,295	14,595	2,460	15	0	0	0	0	0	**4,734,395**
140,001 - 150,000	4,567,000	0	43,330	24,360	0	79,755	29,370	5,325	15	0	0	0	0	0	**4,749,155**
150,001 - 180,000	12,729,700	0	253,623	79,440	0	567,225	295,950	32,100	8,265	0	300	120	0	0	**13,966,723**
180,001 - 210,000	10,319,900	736,200	436,246	88,500	100	880,035	505,485	51,930	18,690	0	7,860	720	240	3,660	**13,049,566**
210,001 - 240,000	9,482,900	3,066,600	650,349	89,520	550	1,174,140	684,555	66,495	23,505	0	43,200	4,500	1,860	11,640	**15,299,814**
240,001 - 270,000	7,285,200	4,391,600	1,022,282	72,300	65,843	1,192,485	693,660	66,750	24,240	540	67,440	6,960	3,930	14,700	**14,907,930**
270,001 - 300,000	5,356,600	4,734,600	1,256,150	53,940	83,600	1,083,000	575,160	56,310	20,160	2,040	62,460	6,180	4,740	14,820	**13,309,760**
300,001 - 400,000	12,214,700	12,894,000	4,173,556	129,780	266,933	3,341,835	1,646,100	140,955	48,150	11,520	251,460	21,600	34,380	58,860	**35,233,829**
400,001 - 500,000	6,631,700	6,778,600	2,576,945	75,210	152,090	2,304,060	1,084,335	90,990	28,725	8,340	218,640	17,400	29,220	51,120	**20,047,375**
500,001 - 600,000	3,806,300	3,770,400	1,564,261	37,920	82,608	1,334,700	583,740	46,500	14,220	4,680	133,320	8,700	20,760	29,880	**11,437,989**
600,001 - 700,000	2,448,800	2,392,000	1,084,472	21,540	49,100	829,350	337,890	25,800	7,110	3,720	82,140	6,720	13,560	19,020	**7,321,222**
700,001 - 800,000	1,274,200	1,576,400	647,548	9,600	27,290	444,555	173,760	14,685	4,140	1,560	41,700	3,600	6,420	8,460	**4,233,918**
800,001 - 900,000	663,400	1,199,200	496,335	6,240	22,950	312,720	108,435	9,120	2,220	1,200	28,020	1,920	5,100	5,520	**2,862,380**
900,001 - 1,000,000	412,500	961,800	387,160	3,930	17,050	219,390	75,285	5,025	1,590	1,200	17,940	900	4,080	3,780	**2,111,630**
1,000,001 - 1,500,000	483,200	2,399,200	887,726	7,440	36,350	364,500	124,350	10,410	2,820	1,560	34,740	3,540	9,300	9,060	**4,374,196**
1,500,001 - 2,000,000	13,300	381,000	167,320	990	5,000	46,995	12,885	1,080	300	240	4,860	300	2,160	1,200	**637,630**
2,000,001 - 3,000,000	300	14,600	6,480	60	0	3,420	1,545	210	120	60	780	60	120	120	**27,875**
3,000,001 - 5,000,000	0	400	200	0	0	0	0	0	0	0	0	0	0	0	**600**
5,000,001 - 7,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
7,500,001 - 10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
10,000,001 & over	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**97,781,100**	**45,296,600**	**15,654,083**	**714,600**	**809,464**	**14,229,720**	**6,947,100**	**626,160**	**204,285**	**36,660**	**994,860**	**83,220**	**135,870**	**231,840**	**183,745,562**

SCHEDULE 7 PROPERTY STATISTICS (as at 31 March 2007)

Classification of Properties			No. of Properties	%
(i)	Solely owned by individuals (with rental income, if any, reported in Composite Tax Returns)		742,357	33.99
(ii)	Jointly owned, owned by tenants-in-common, and solely owned other than by individuals -			
		Letting	102,429	
		Other usage or vacant	567,256	669,685	30.66
(iii)	Owned by corporations and exempted from property tax under the Inland Revenue Ordinance		365,447	16.73
(iv)	Home Ownership Scheme or Private Sector Participation Scheme [excluding those reported under items (i) or (ii)]		274,022	12.55
(v)	New Ownership - awaiting classification		132,559	6.07
	Total		**2,184,070**	**100.00**

Classification of Ownership		No. of Properties	%
Properties owned by :	1 owner	1,306,501	59.82
	2 owners	824,333	37.74
	3 owners	36,092	1.65
	4 owners	8,918	0.41
	5 owners	3,530	0.16
	6 - 10 owners	3,840	0.18
	11 - 20 owners	700	0.03
	Over 20 owners	156	0.01
Total		**2,184,070**	**100.00**

SCHEDULE 8 BUSINESS REGISTRATION STATISTICS

Fiscal Year	2003 - 04	2004 - 05	2005 - 06	2006 - 07
New registrations	90,607	104,323	113,497	**117,719**
Re-opened registrations	5,988	4,976	5,065	**6,883**
Cancelled registrations	85,758	87,242	77,725	**93,472**
Current registrations as at 31 March	672,275	694,332	735,169	**766,299**
Certificates issued (fee payable cases)	712,934	733,825	796,126	**805,915**
Businesses exempted from payment of fees	13,743	15,924	17,520	**18,977**
Extracts of information issued	257,093	249,818	251,915	**267,255**
	($'000)	($'000)	($'000)	**($'000)**
Fees and penalties collected (excluding levy)	1,233,327	1,348,702	1,478,755	**1,497,902**
Court fines	5,361	8,597	7,118	**6,344**
Fees and penalties in arrears as at 31 March (excluding levy)	54,701	52,229	58,068	**58,168**

SCHEDULE 9 STAMP DUTY COLLECTIONS

Fiscal Year	2003 - 04	2004 - 05	2005 - 06	2006 - 07
Duties on -	($m)	($m)	($m)	**($m)**
• Assignments and Chargeable Agreements	4,996.2	9,233.1	9,465.5	**9,700.1**
• Contract notes	6,018.9	6,388.0	8,129.4	**15,027.1**
• Leases	205.3	210.5	241.3	**289.3**
• Transfer deeds	5.0	2.6	4.6	**8.7**
• Other documents	6.5	7.5	10.9	**13.8**
Penalties	12.8	9.1	14.9	**37.2**
Additional duties for delays in payment	0.7	0.6	0.6	**0.4**
Total duty collections	**11,245.4**	**15,851.4**	**17,867.2**	**25,076.6**

SCHEDULE 10 STAMP OFFICE ACTIVITIES AND COLLECTIONS

Fiscal Year	2003 - 04	2004 - 05	2005 - 06	2006 - 07
Average number of callers per day				
• Stamp Office	1,588	1,863	1,862	**1,907**
• Kowloon Sub-Office #	212	-	-	**-**
• Tsuen Wan Sub-Office #	102	-	-	**-**
Number of documents stamped				
• Stamp Office	1,142,557	1,186,949	1,330,737	**1,560,524**
• Kowloon Sub-Office #	37,772	-	-	**-**
• Tsuen Wan Sub-Office #	18,123	-	-	**-**
Total	**1,198,452**	**1,186,949**	**1,330,737**	**1,560,524**
Contract note duty	($m)	($m)	($m)	**($m)**
• Collected through Stock Exchange of Hong Kong Limited	5,631.6	5,790.3	7,281.7	**13,661.1**
• Collected by Stamp Office & Sub-Offices	387.3	597.7	847.7	**1,366.0**
Total	**6,018.9**	**6,388.0**	**8,129.4**	**15,027.1**
Duty collections	($m)	($m)	($m)	**($m)**
• Stamp Office *	11,217.9	15,851.4	17,867.2	**25,076.6**
• Kowloon Sub-Office #	23.9	-	-	**-**
• Tsuen Wan Sub-Office #	3.6	-	-	**-**
Total	**11,245.4**	**15,851.4**	**17,867.2**	**25,076.6**

** Including contract note duty collected through Stock Exchange of Hong Kong Limited*
 # The Kowloon and Tsuen Wan Sub-offices ceased operation from 1.8.2003

SCHEDULE 11 ESTATE DUTY – DUTY ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2007

	Assessments issued before 1 April 2006	Assessments issued in 2006 - 07						
		Original Assessments					Additional Assessment	Total
		Estates valued under $2m	Estates valued $2m to $4m	Estates valued $4m to $10m	Estates valued $10m to $20m	Estates valued over $20m		
	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	**($'000)**
Outstanding charges brought forward from 2005 - 06	274,402	-	-	-	-	-	-	**274,402**
Less: Amount discharged	11,941	-	-	-	-	-	-	**11,941**
Net outstanding charges brought forward from 2005 - 06	262,461	-	-	-	-	-	-	**262,461**
Net duty assessed	-	-	346	37,716	170,508	1,409,317	16,521	**1,634,408**
Penalties charged	-	-	-	534	2,680	7,446	265	**10,925**
Interest charged	6,664	1	173	4,946	18,619	97,021	8,951	**136,375**
Total amount payable	269,125	1	519	43,196	191,807	1,513,784	25,737	**2,044,169**
Less: Amount paid on account before 1 April 2006	-	-	250	31,698	147,872	1,325,757	21,793	**1,527,370**
Net duty, penalties and interest payable in 2006 - 07	269,125	1	269	11,498	43,935	188,027	3,944	**516,799**
Less: Outstanding charges carried forward to 2007 - 08	204,292	-	-	1,643	9,001	73,306	686	**288,928**
Net duty, penalties and interest paid in 2006 - 07	64,833	1	269	9,855	34,934	114,721	3,258	**227,871**
Add: Duty and interest paid on account in respect of assessments to be issued in subsequent years	-	-	-	27,490	115,458	406,852	-	**549,800**
Total collections in 2006 - 07	**64,833**	**1**	**269**	**37,345**	**150,392**	**521,573**	**3,258**	**777,671**

SCHEDULE 12 ESTATE DUTY STATISTICS

Fiscal Year	2003 - 04	2004 - 05	2005 - 06	2006 - 07
Assessment	($'000)	($'000)	($'000)	**($'000)**
Duty assessed	1,149,169	896,837	1,061,480	**1,634,408**
Penalties and interest	223,610	119,127	115,458	**140,636**
Total	**1,372,779**	**1,015,964**	**1,176,938**	**1,775,044**
Collection	($'000)	($'000)	($'000)	**($'000)**
Payment before assessment	1,208,875	1,265,174	1,497,399	**549,800**
Payment after assessment	246,380	203,199	178,344	**227,871**
Total	**1,455,255**	**1,468,373**	**1,675,743**	**777,671**
Arrears	($'000)	($'000)	($'000)	**($'000)**
Arrears as at 31 March	335,509	268,225	274,402	**288,928**

SCHEDULE 13 RACING ATTENDANCE, BETS AND BETTING DUTY COLLECTED

Fiscal Year		2004 - 05		2005 - 06				2006 - 07			
				Day Meeting		Night Meeting		Day Meeting		Night Meeting	
		Day Meeting	Night Meeting	Apr - Aug	Sep - Mar	Apr - Aug	Sep - Mar	Apr - Aug	Sep - Mar	Apr - Aug	Sep - Mar
Racing Attendances											
Number of race meetings		44	34	15	28	11	23	**16**	**28**	**11**	**22**
Attendances -											
Public		819,374	379,289	242,781	505,864	97,075	201,462	**235,559**	**523,003**	**101,064**	**202,032**
Members' Stand		34,876	14,673	10,829	21,772	5,545	7,830	**12,383**	**16,346**	**3,959**	**7,957**
Infield Enclosure		0	0	0	0	0	0	**0**	**0**	**0**	**0**
Total		854,250	393,962	253,610	527,636	102,620	209,292	**247,942**	**539,349**	**105,023**	**209,989**
Average per meeting		19,415	11,587	16,907	18,844	9,329	9,100	**15,496**	**19,262**	**9,548**	**9,545**
Bets											
Average on-course bets -											
per meeting ($'000)		104,907	62,845	99,277		59,670					
per race-goer per meeting ($)		5,403	5,424	5,872		6,396					
Pari-mutuel bets		($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	**($'000)**	**($'000)**	**($'000)**	**($'000)**
Win, Place, Double, Quinella, Quinella Place:	on-course/cashbet *	3,514,310	1,571,094	1,150,465	8,149,329	491,885	5,518,510	**4,439,594**		**2,479,188**	
	off-course/accountbet *	28,545,846	18,070,036	9,304,684	11,474,103	5,629,175	7,496,096	**6,399,033**		**3,494,321**	
	overseas #	113,707	84,513	175,821	288,912	104,818	224,308	**171,701**		**106,552**	
Six-up:	on-course/cashbet *	33,791	29,371	9,517	87,473	6,957	93,322	**46,010**		**33,672**	
	off-course/accountbet *	312,185	317,247	95,933	111,195	79,642	114,166	**52,431**		**36,411**	
Treble:	on-course/cashbet *	17,980	8,862	5,544	46,142	2,426	34,451	**24,171**		**14,836**	
	off-course/accountbet *	179,526	126,735	58,667	70,887	37,999	51,334	**38,141**		**22,775**	
Tierce:	on-course/cashbet *	586,576	262,075	194,736	621,489	81,536	356,640	**339,677**		**157,661**	
	off-course/accountbet *	2,460,145	1,447,112	788,813	1,119,306	428,013	693,709	**615,818**		**314,919**	
Trio:	on-course/cashbet *	245,318	105,283	77,023	459,781	32,834	309,141	**247,007**		**134,851**	
	off-course/accountbet *	1,824,183	1,183,736	577,356	737,147	360,204	485,530	**392,871**		**218,397**	
Double Trio:	on-course/cashbet *	73,016	46,016	20,504	97,056	12,779	83,478	**52,794**		**36,380**	
	off-course/accountbet *	321,311	273,715	100,931	116,581	79,563	97,647	**64,533**		**44,605**	
Triple Trio:	on-course/cashbet *	144,908	114,025	31,360	197,372	27,949	202,192	**114,015**		**57,684**	
	off-course/accountbet *	600,378	539,669	152,713	199,678	140,739	193,035	**113,146**		**56,713**	
Total Bets/Net Stake Receipt ^		38,973,180	24,179,489	12,744,067	23,776,451	7,516,519	15,953,559	**13,110,942**	**4,264,206**	**7,208,965**	**2,687,224**
Duty collected from Horse Racing/		5,213,904	3,252,776	1,687,787	3,144,968	998,944	2,118,140	**1,731,060**	**3,081,855**	**948,995**	**1,941,519**
Duty collected from Horse Racing (Provisional) ^				**4,832,755**		**3,117,084**		**4,812,915**		**2,890,514**	

Lotteries	($'000)	($'000)	**($'000)**
Lottery ticket sales	6,648,989	6,533,618	**6,189,653**
Duty collected from Lotteries	1,662,247	1,633,405	**1,547,413**

Football Betting (Provisional)	($'000)	($'000)	**($'000)**
Net stake receipts	3,856,518	4,709,631	**5,593,033**
Duty collected from Football Betting (Provisional)	1,928,259	2,354,815	**2,796,517**

	($'000)	($'000)	**($'000)**
Total duty collected	12,057,186	11,938,059	**12,047,359**

		2006 - 07
Duty collected on -	($'000/Rate)	**($'000)**
Win, Place, Double, Quinella, Quinella Place:	(16,812,136 @ 12%)	**2,017,456**
	# (278,253 @ 6%)	**16,695**
Six-up, Treble, Tierce, Trio, Double Trio, Triple Trio:	(3,229,518 @ 20%)	**645,904**
Horse Racing (Provisional) ^		**4,998,754**
	#	**24,620**
Horse Racing:		**7,703,429**
Lotteries:	(6,189,652 @ 25%)	**1,547,413**
Football Betting (Provisional):	(5,593,033 @ 50%)	**2,796,517**
Total duty collected		**12,047,359**

Note: *# Duty on overseas bets from Macau was charged with effect from 30 January 2005.*
** The HKJC ceased to provide data for on/off-course with effect from September 2005 but provided data for cashbet & accountbet.*
^ Duty on horse racing was charged on net stake receipts with effect from September 2006.

SCHEDULE 14 HOTEL ACCOMMODATION TAX

Fiscal Year	2003 - 04	2004 - 05	2005 - 06	2006 - 07
Hotels				
Room occupancy (No. of room-days)	7,986,907	11,096,083	11,960,469	**12,932,326**
Room occupancy rate (%)	65.4	85.8	83.6	**85.5**
Average room charge ($)	615	727	844	**961**
Tax assessed ($m)	150.5	243.0	303.8	**378.4**
Boarding Houses				
Room occupancy (No. of room-days)	566,098	655,707	683,472	**824,857**
Room occupancy rate (%)	112.0	118.2	112.8	**135.3**
Average room charge ($)	217	233	242	**224**
Tax assessed ($m)	3.8	4.9	5.1	**6.1**
	($m)	($m)	($m)	**($m)**
Total tax assessed	154.3	247.9	308.9	**384.5**
Total tax collected	155.6	247.4	310.0	**384.2**

SCHEDULE 15 TAX RESERVE CERTIFICATES

Fiscal Year	Sales		Redemption		
	Number of Certificates	Value	Number of Certificates	Value	Interest
		($'000)		($'000)	($'000)
2003 - 04					
Normal (to save for tax)					
• Paper certificate	39	1,476	435	9,198	1,805
• Save-As-You-Earn Scheme	55,821	113,343	58,651	119,227	598
• Electronic Tax Reserve Certificates Scheme	68,265	229,460	63,031	229,117	314
Objections/Appeals	1,190	2,064,900	728	1,217,202	32,268
Total	**125,315**	**2,409,179**	**122,845**	**1,574,744**	**34,985**
		($'000)		($'000)	($'000)
2004 - 05					
Normal (to save for tax)					
• Paper certificate	35	1,956	497	3,343	226
• Save-As-You-Earn Scheme	50,222	100,153	44,794	85,634	247
• Electronic Tax Reserve Certificates Scheme	33,149	781,105	31,489	750,361	144
Objections/Appeals	1,091	2,196,714	934	1,989,131	4,379
Total	**84,497**	**3,079,928**	**77,714**	**2,828,469**	**4,996**
		($'000)		($'000)	($'000)
2005 - 06					
Normal (to save for tax)					
• Paper certificate	16	708	131	1,318	111
• Save-As-You-Earn Scheme	52,246	95,394	52,229	98,584	347
• Electronic Tax Reserve Certificates Scheme	35,674	191,146	35,699	197,444	513
Objections/Appeals	1,377	3,769,313	855	2,387,118	27,393
Total	**89,313**	**4,056,561**	**88,914**	**2,684,464**	**28,364**
		($'000)		**($'000)**	**($'000)**
2006 - 07					
Normal (to save for tax)					
• Paper certificate	**19**	**1,069**	**167**	**1,881**	**133**
• Save-As-You-Earn Scheme	**51,703**	**92,630**	**51,341**	**92,001**	**993**
• Electronic Tax Reserve Certificates Scheme	**36,464**	**229,163**	**35,218**	**219,960**	**1,903**
Objections/Appeals	**1,470**	**3,598,353**	**1,001**	**1,625,215**	**25,498**
Total	**89,656**	**3,921,215**	**87,727**	**1,939,057**	**28,527**

SCHEDULE 16 EARNINGS & PROFITS TAX – OFFENCES COMMITTED AND COURT FINES IMPOSED

2006 - 07

	Inland Revenue Ordinance								Total	
	Failure to submit return and other offences [section 80(1)&(2)(d)]		Failure to comply with Court Order [section 80(2B)]		Wilfully with intent to evade tax or to assist other persons to evade tax [section 82]		Furnishing incorrect return, statement or information [section 80(2)(a),(b)&(c)]			
	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines	No. of Convictions	Amount of Fines
		($)		($)		($)		($)		**($)**
Profits Tax										
• Corporations	6,962	17,073,060	1,184	6,756,850	0	0	0	0	**8,146**	**23,829,910**
• Unincorporated Businesses	444	877,990	21	102,800	5	700,000	0	0	**470**	**1,680,790**
Salaries Tax										
• Employees	1,613	3,474,660	231	1,239,200	11	25,000	2	21,300	**1,857**	**4,760,160**
• Employers	1,072	2,638,360	155	905,100	0	0	0	0	**1,227**	**3,543,460**
Property Tax										
• Individuals	15	39,500	5	16,000	1	5,000	0	0	**21**	**60,500**
Total	**10,106**	**24,103,570**	**1,596**	**9,019,950**	**17**	**730,000**	**2**	**21,300**	**11,721**	**33,874,820**

Note 1 : Fines do not form part of the revenue collected by the Inland Revenue Department
Note 2 : The number of summonses pending hearing as at 31 March 2007 is 7,266

SCHEDULE 17 EARNINGS & PROFITS TAX – SURCHARGES ADDED, OFFENCES COMPOUNDED, ADDITIONAL TAX IMPOSED AND COSTS AWARDED BY THE BOARD OF REVIEW

2006 - 07

	Property Tax		Salaries Tax		Profits Tax (Corporations)		Profits Tax (Unincorporated Businesses)		Personal Assessment		Total	
	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount	No. of Impositions	Amount
		($)		($)		($)		($)		($)		**($)**
Surcharge for late payment of tax	14,009	6,406,933	140,016	112,330,644	8,986	103,229,468	4,725	17,259,105	12,202	8,423,584	**179,938**	**247,649,734**
Compound Penalties for offences under the Inland Revenue Ordinance												
• section 51(4B) *	-	-	16	25,400	1	1,200	4	3,000	-	-	**21**	**29,600**
• section 80(1)	1	61,000	813	2,735,877	18	542,200	31	2,253,000	-	-	**863**	**5,592,077**
• section 80(2)	473	5,804,000	4,617	98,162,770	5,942	332,444,660	1,369	145,524,494	25	121,800	**12,426**	**582,057,724**
• section 82(1)	4	532,400	51	12,704,565	60	52,850,569	55	36,767,868	-	-	**170**	**102,855,402**
• section 82(2)	1	274,000	10	5,252,791	-	-	3	4,187,400	-	-	**14**	**9,714,191**
Additional Tax imposed under section 82A of the Inland Revenue Ordinance	67	468,030	562	16,061,426	558	38,697,229	195	14,455,411	23	106,800	**1,405**	**69,788,896**
Costs awarded by the Board of Review	-	-	7	18,000	2	10,000	-	-	-	-	**9**	**28,000**
Total	**14,555**	**13,546,363**	**146,092**	**247,291,473**	**15,567**	**527,775,326**	**6,382**	**220,450,278**	**12,250**	**8,652,184**	**194,846**	**1,017,715,624**

** Including penalties imposed by the Court*

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