Inland Revenue Department
Hong Kong Special Administrative Region



TAX BY THE LAW
SERVICE FROM THE HEART

ANNUAL REPORT 2008-09

Vision, Mission and Values



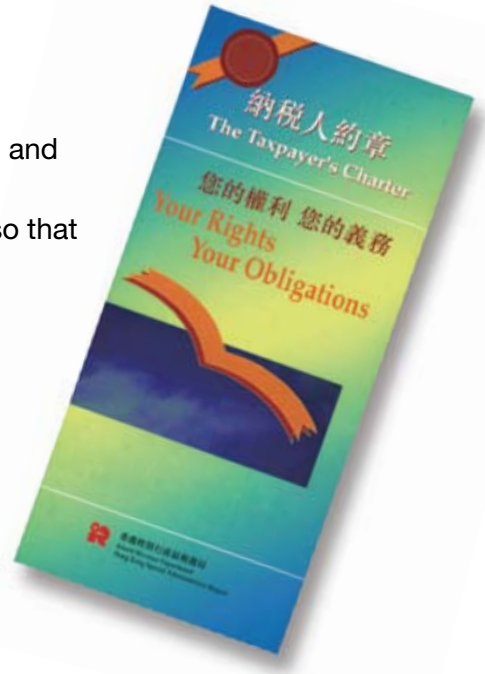
Vision

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



2008-09 was an eventful year for the Inland Revenue Department (IRD). Given the challenging circumstances we faced, the results achieved by the members of our staff team - who continued to work with their typical diligence and perseverance - were most encouraging.

Reflecting Hong Kong's strong economy in 2007-08, earnings and profits tax collections in 2008-09 rose to a record high of $146.1 billion, a year-on-year growth of $12.4 billion or 9.3%. The number of taxpayers paying salaries tax increased to 1.42 million and corporations paying profits tax to 80 thousand. However, the outbreak of the global financial crisis in September 2008 caused a sudden contraction in the stock and property markets. Stamp duty collection dropped by 37.6% to $32.2 billion. Tax collection work also faced unforeseen difficulties, pushing the tax in arrears to a higher level. Overall, the Department collected $191.5 billion in total, a reduction of $9.2 billion or 4.6%.

In early 2008, Hong Kong enjoyed a prosperous economy and a bullish market. The IRD total collections reached an all-time high of $200.7 billion in 2007-08. Under the Government's initiative of leaving wealth with the people, IRD implemented a package of tax concessions. The economic downturn later in the year, however, hit many trades and industries. We took immediate steps to enhance our service, including the launching of hotlines for applications to holdover provisional tax and to pay tax by instalments. The number of provisional tax holdover applications climbed to 60 thousand for salaries tax and 8 thousand for profits tax in the year, nearly double the respective figures of the previous year. IRD has always responded promptly to the ups and downs in economic cycles and delivered commendable results, thanks to our dedicated staff and flexible and effective operating systems.

IRD has long placed great emphasis on communicating with taxpayers, the business sector and international bodies. We are committed to keeping abreast of changes in the general business environment, the operations of market participants and the peculiarities of different trades and industries. We hold regular meetings with the Hong Kong Institute of Certified Public Accountants, the Joint Liaison Committee on Taxation and the User's Committee for IRD's Performance Pledge. We also contact at intervals with trade associations, professional bodies, overseas and our Mainland counterparts, and international economic and trade organisations. Through these various channels we aim to familiarise ourselves with external developments and, where appropriate, implement responsive improvements to the Hong Kong tax system.

To enhance the public's understanding of our policies and practices, we issue Departmental Interpretation & Practice Notes on tax topics from time to time, and these are uploaded on the IRD web site. We keep our tax work highly transparent. Our web site is frequently updated and carries a full volume of information. We wish to facilitate taxpayers in understanding their tax obligations, and taking the relevant tax factors into consideration in their business decisions.

The Hong Kong tax system is renowned for being simple, low-rated, and based on the territorial-source principle. The durability of this tax system is a reflection of the community's work in fostering a prosperous and stable environment, the prudent fiscal policies in keeping public expenditure within our means, and the high degree of tax compliance by our taxpayers. IRD maintains a neutral position when applying the law, treating all taxpayers alike, to facilitate fair competition. The neutrality or fairness of our tax system would be undermined if a different assessment basis or concession is allowed to a particular industry. It would be unfair to other industries, and make the Hong Kong tax system unpredictable.

The Inland Revenue Ordinance gives taxpayers the right of objection and appeals as a legal channel to handle disputes. Decisions handed down by the Board of Review and the Courts provide guidance to IRD officers in their interpretation and administration of the law.

On the international front, Hong Kong has been actively seeking to build a network of agreements for the avoidance of double taxation with our major trading and investment partners. We have signed comprehensive double taxation agreements with Belgium, Thailand, Mainland China, Luxembourg and Vietnam. These treaties help to boost cross-border economic activities and protect the tax revenue of the contracting parties. Situations of double taxation can be avoided and traders and investors will be better able to assess accurately their tax liabilities. With such benefits at hand, Hong Kong is keen to further expand the network.



At the same time, the subject of "tax havens" has attracted much attention internationally. In contrast to those typical tax havens, Hong Kong's tax law is clear and unambiguous. We have effective anti-tax avoidance provisions and we enforce our tax law strictly. We never provide special tax concessions for the sake of attracting foreign capitals. We do not have laws protecting bank secrecy. We fully support the Organisation for Economic Co-operation and Development (OECD) in enhancing tax transparency. Therefore, Hong Kong is definitely not a tax haven, and should not be compared with those jurisdictions

which seek to attract tax evading capitals through nominal tax rates, complicated and opaque tax rules, as well as bank secrecy laws. I was very happy to note that the OECD has commended Hong Kong's transparent tax system, and our efforts in complying with international standards on exchange of information.



Further advances on this front were foreshadowed when the Financial Secretary announced in the 2009-10 Budget that legislative amendments would be put forward to enable Hong Kong to align with OECD's latest standard on exchange of tax information. These would not only help the expansion of Hong Kong's network of double taxation agreements, but also significantly enhance Hong Kong's position as a transparent tax jurisdiction.

The Mainland's rapidly expanding economy and the changes taking place in global trading and financial markets are presenting both great opportunities and challenges to Hong Kong. Our tax law and tax administration have served us well in the past, but would need to evolve with the time. I am confident that IRD will build on its past good work and strive for even better results. As per our vision statement, we aim to be an excellent tax administration that plays an important part in promoting Hong Kong's prosperity and stability.

Last but not the least, I would like to express my heartfelt thanks to all taxpayers and members of the professions, the business community and organisations in the public and private sectors for all the support and advice they provided in the past years. Without their assistance IRD would not have been able to achieve as much as it has! Motivated by our slogan, "Tax by the law Service from the heart", we will, as we go forward, continue working with our partners to serve the people of Hong Kong in an exemplary manner.

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

Revenue

In 2008-09 earnings and profits tax collections attained a new high of $146.1 billion. The growth, recorded at $12.4 billion or 9.3%, was brought about by the expanding economy in the previous year of assessment. However, with the global financial crisis in the year, the stock market and property market contracted sharply. Stamp duty collections went down to $32.2 billion, representing a decrease of $19.4 billion or 37.6%. Overall, the total revenue collected by IRD in the year was $191.5 billion, dropped by $9.2 billion or 4.6% from the previous year **(Figure 1, Schedules 1** and **2)**.



Figure 1 Revenue collected by tax type

Type of tax	2005-06 ($m)	2006-07 ($m)	2007-08 ($m)	**2008-09 ($m)**
Profits tax —				
Corporations	65,586.1	65,499.6	86,775.6	**99,294.4**
Unincorporated businesses	4,210.4	6,419.4	4,647.1	**4,857.1**
Salaries tax	37,493.9	38,585.6	37,479.5	**39,007.9**
Property tax	1,267.1	1,247.4	1,240.6	**832.5**
Personal assessment	3,193.9	3,565.6	3,586.6	**2,151.1**
Total earnings & profits tax	**111,751.4**	**115,317.6**	**133,729.4**	**146,143.0**
Estate duty	1,675.7	777.7	353.4	**176.0**
Stamp duty	17,867.2	25,076.6	51,549.1	**32,162.1**
Betting duty	11,938.1	12,047.4	13,048.4	**12,620.3**
Business registration fees	1,478.8	1,497.9	1,565.8	**154.4**
Hotel accommodation tax (Tax rate reduced to 0% from 1 July 2008)	310.0	384.2	450.4	**222.9**
Total revenue collected	**145,021.2**	**155,101.4**	**200,696.5**	**191,478.7**
% change over previous year	**13.6%**	**7.0%**	**29.4%**	**-4.6%**

The revenue collected by the Department during 2008-09 accounted for 70.1% of the Government General Revenue **(Figure 2)**. Profits tax contributed the largest part of the total revenue collected, followed by salaries tax. Together they made up 74.8% of the total revenue collected **(Figure 3)**.

Figure 2 Government General Revenue

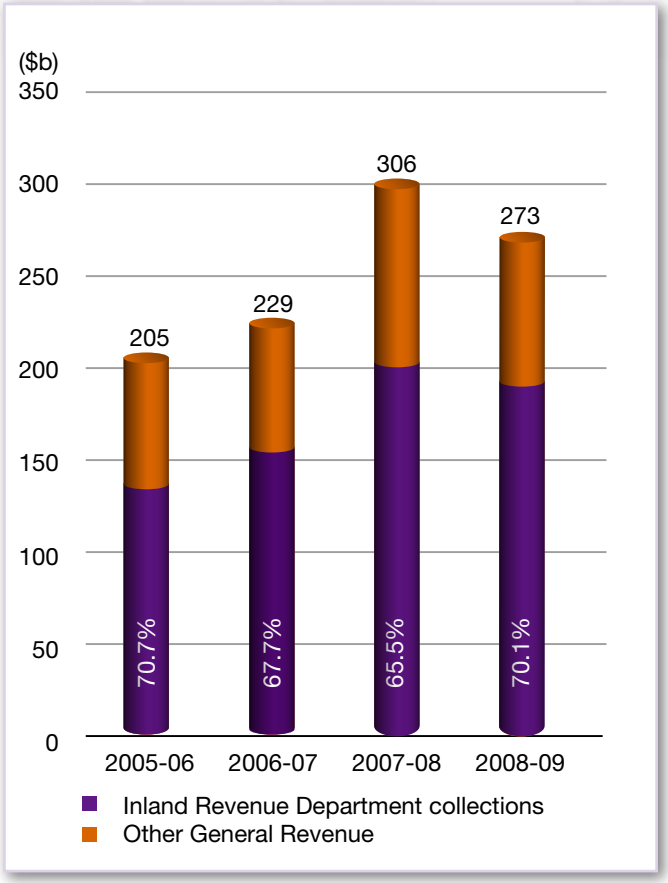
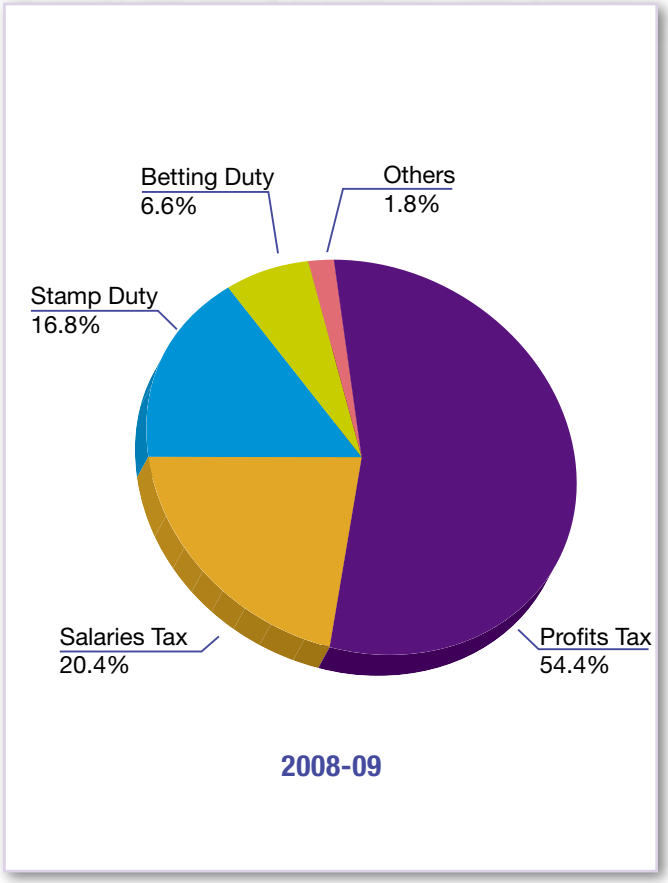
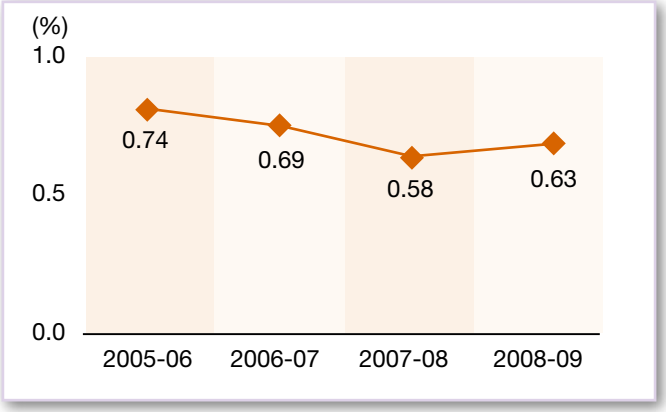


Figure 3 Composition of the revenue collection



With a drop in revenue collections during the year, the cost of collection of revenue increased from 0.58% to 0.63% **(Figure 4)**.

Figure 4 Cost of collection



Assessing Functions

The Inland Revenue 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 are principally assessed by reference to the incomes / profits of the taxpayers in the previous year. For 2008-09, the earnings and profits tax assessed increased by $6.5 billion (4.7%), as compared with the previous year. The total of duties and fees collected, however, dropped by 32.3%.

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. From 1 April 2008, the tax rates for corporations and non-corporate persons were both reduced by 1% to 16.5% and 15% respectively.

The Hong Kong economy has slowed down since the second half of 2008-09 as a result of the global financial crisis. Nevertheless, profits tax assessed in the year recorded at $103.6 billion **(Figure 5)**, $7.7 billion (8%) more than that of the previous year, reflecting the rapid economic growth in 2007-08. Of the total tax assessed, the property and financial sectors together contributed 47.3% **(Figure 6)**. Further statistics relating to the tax assessed in respect of different business sectors are shown in **Schedules 3** and **4**.

Figure 5 Profits tax assessed

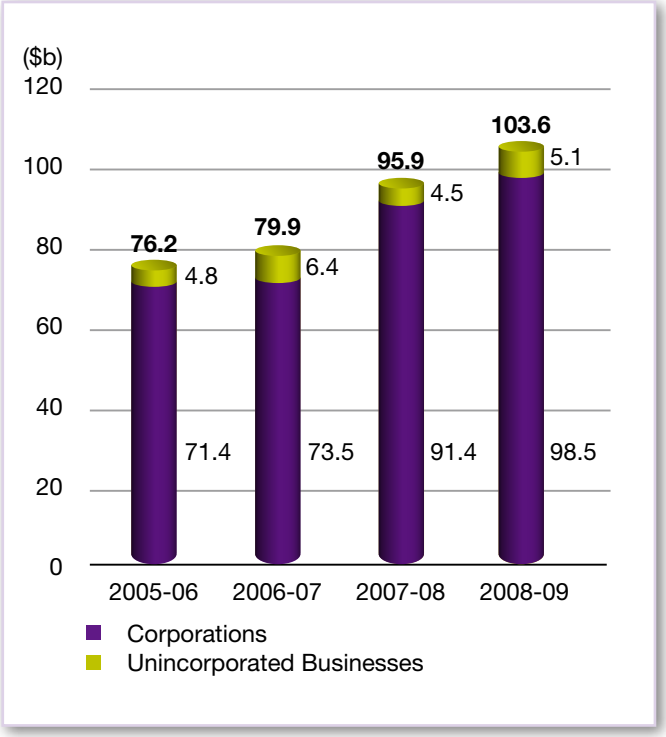
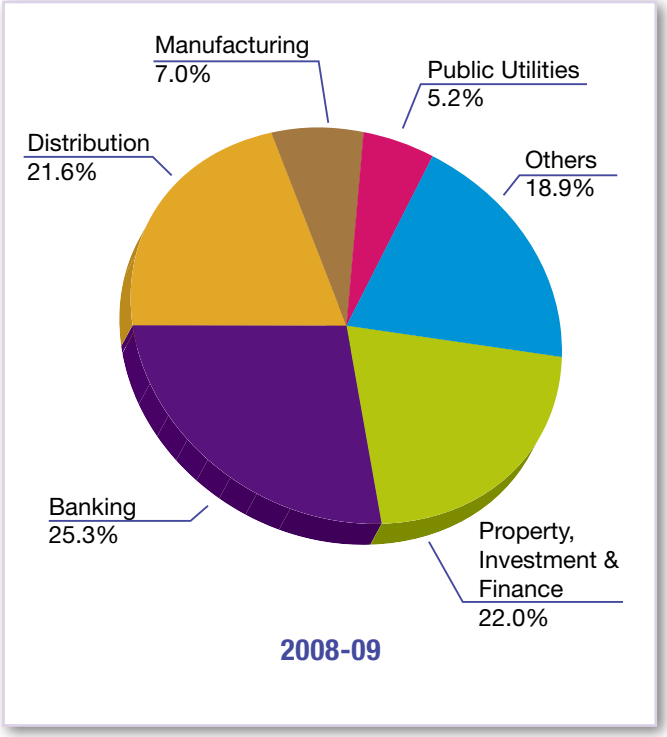


Figure 6 Corporate profits tax assessed ratios by business sectors

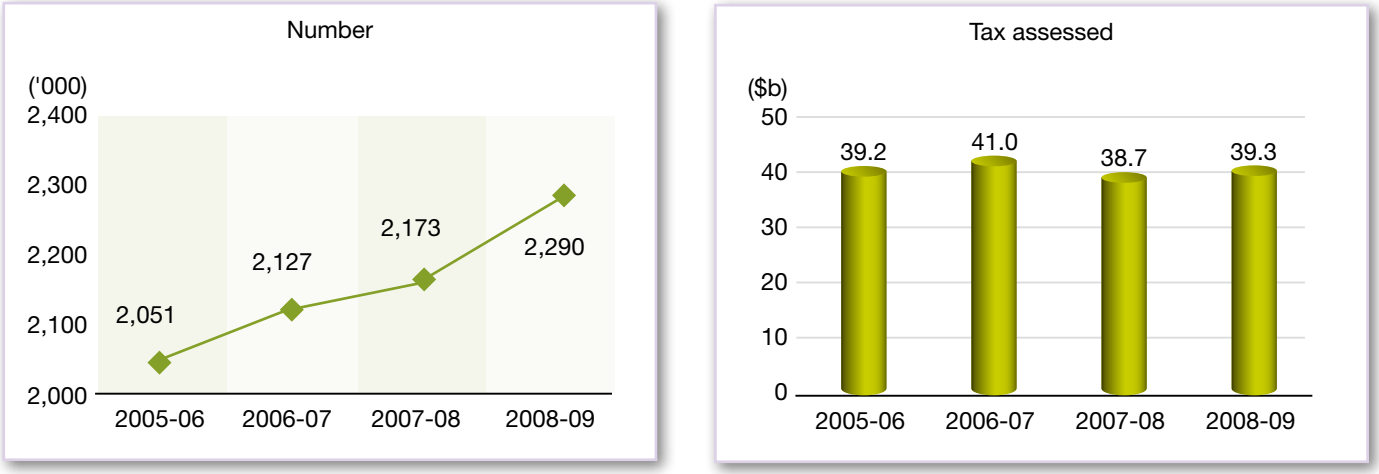


Salaries Tax

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 2008-09, the standard rate was reduced from 16% to 15%.

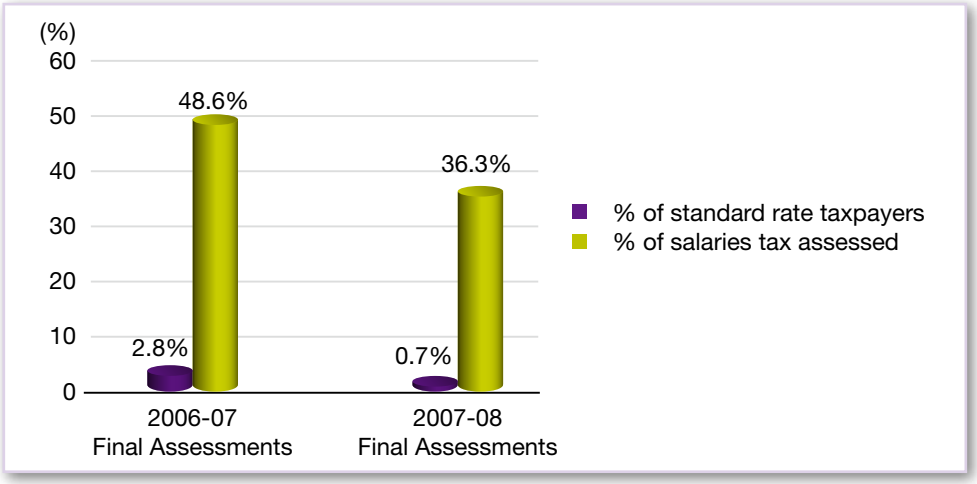
Compared with the previous year, the number of assessments made increased by 5.4%. 1.6% more tax was assessed during 2008-09 **(Figure 7)**. Analyses of tax assessed and allowances granted in respect of taxpayers at various income levels are provided in **Schedules 5** and **6**.

Figure 7 Salaries tax assessments



Reflecting the widening of tax bands and reduction in marginal tax rate, the number of standard rate taxpayers greatly decreased by 27,237 from 36,706 last year to 9,469 this year. These taxpayers together contributed 36.3% of the salaries tax assessed, compared to 48.6% 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, 271,093 employers filed employer's returns with the Department.

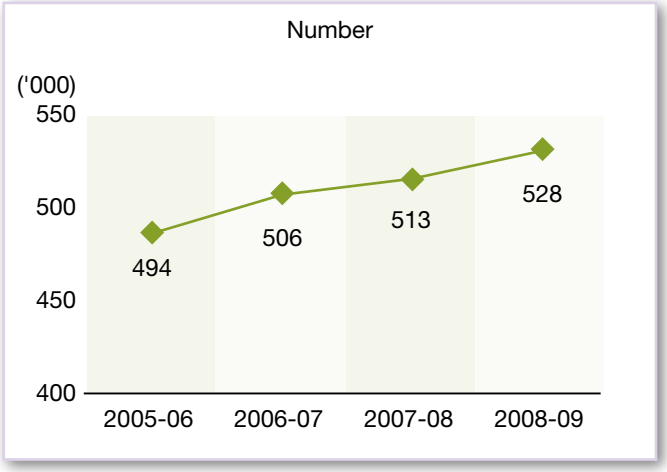
The Department provides e-Seminars and disseminates tax information to employers on the IRD Homepage in order to enhance their understanding of the relevant statutory requirements. The contents relate to completion of employer's return, employer's obligation, answers to frequently asked questions, etc.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

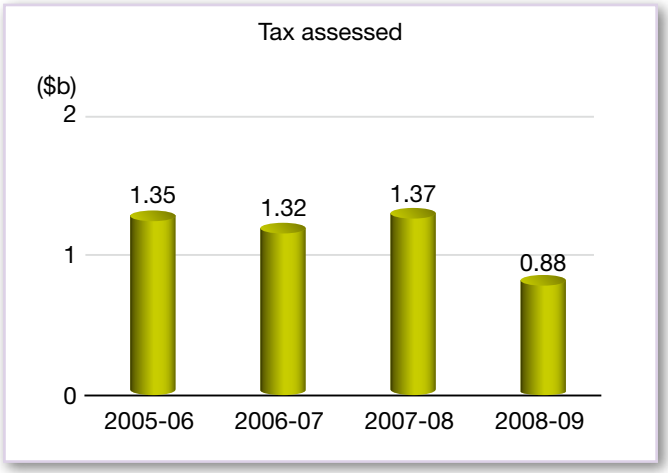
Property Tax

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 2008-09, the standard rate was lowered from 16% to 15%. 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. For corporations, income arising from properties owned by them is also subject to profits tax at the corporate 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 in 2008-09 was 2.94% more than the previous year whereas the amount of property tax assessed decreased by 36% because of the tax reduction for the year of assessment 2007-08 **(Figure 9)**.

Figure 9 Property tax assessments

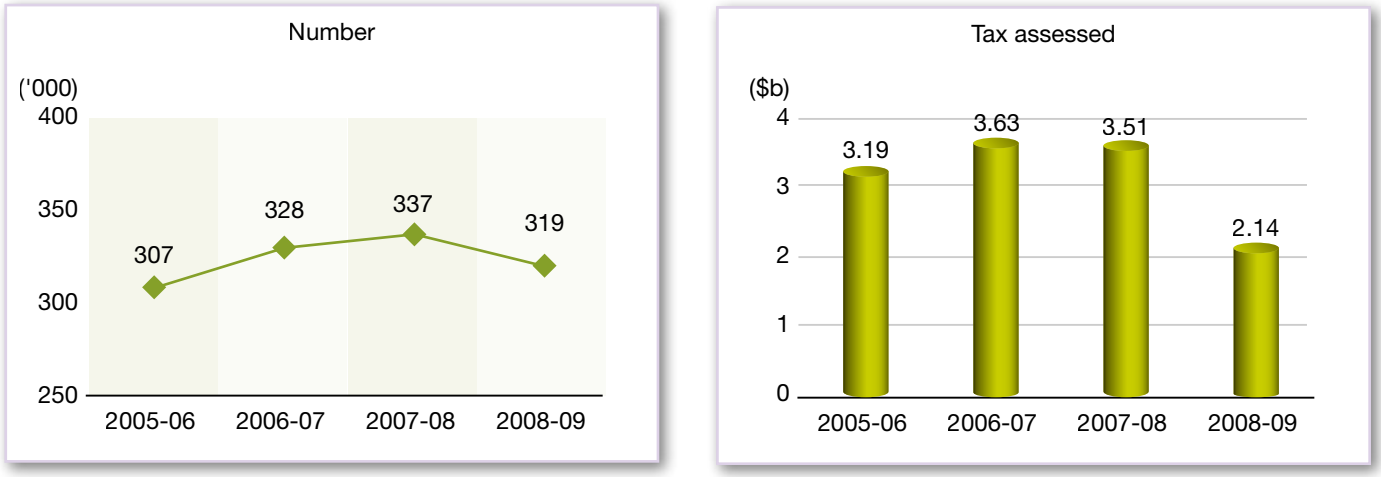




Personal Assessment

An individual may elect personal assessment in respect of his or her total income. Under personal assessment, all the incomes of the taxpayer and his or her spouse are aggregated and, after the deduction of all allowances, 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 2008-09 was 5.4% less than the previous year and the amount of tax assessed decreased by 38.9% because of the tax reduction for the year of assessment 2007-08 **(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. The applicant is required to pay an initial 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 information from 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 rulings

		2007-08 Number	2008-09 Number
Awaiting decision at the beginning of the year		15	**12**
Add:	Application received during the year	47	**49**
		62	**61**
Less:	Disposed of —		
	Ruling made	33	**29**
	Application withdrawn	12	**8**
	Ruling declined	5	50 **5** **42**
Awaiting decision at the end of the year		12	**19**

Objection

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 63,300 objections **(Figure 12)**.

Figure 12 Objection statistics

		2007-08 Number	2008-09 Number
Awaiting settlement at the beginning of the year		26,929	**24,059**
Add:	Received during the year	62,651	**64,214**
		89,580	**88,273**
Less:	Disposed of —		
	Settled or withdrawn	64,673	**62,378**
	Assessment confirmed	454	**452**
	Assessment reduced	254	**348**
	Assessment increased	131	**119**
	Assessment annulled	9	65,521 **16** **63,313**
Awaiting settlement at the end of the year		24,059	**24,960**

Appeal 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 2009, the Board consisted of a chairman and 7 deputy chairmen, who have legal training and experience, as well as 96 other members. During the year, the Board processed 90 appeals **(Figure 13)**.

Figure 13 Appeals to the Board of Review

			Number
Awaiting hearing or decision as at 1 April 2008			58
Add:	Lodged during the year		106
			164
Less:	Disposed of —		
	Withdrawn	20	
	Assessment confirmed	48	
	Assessment reduced in full	5	
	Assessment reduced in part	8	
	Assessment increased	6	
	Assessment annulled	1	
	Others	2	90
Awaiting hearing or decision as at 31 March 2009			74

Appeal 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, where both parties agree, an appeal can be transmitted to the Court of First Instance direct under section 67 of the Inland Revenue Ordinance without a hearing before the Board.

During 2008-09 the Court of First Instance ruled on three cases relating to the Inland Revenue Ordinance concerning the source of profits, taxability of payments received by a taxpayer upon termination of employment and finality of assessments. The Court of First Instance also dealt with applications for amendment of stated case.

After delivery of the three judgments by the Court of First Instance, either the taxpayers or the Commissioner lodged appeal to the Court of Appeal.

During the year the Court of Appeal handed down three judgments relating to the Inland Revenue Ordinance, which were all in favour of the Commissioner. One of these judgments related to taxability of gratuity received by a taxpayer upon termination of employment. The other two cases were related to application of the anti-avoidance provisions. The taxpayers in the cases related to the application of the anti-avoidance provisions appealed to the Court of Final Appeal against the judgments.

The Court of Final Appeal heard four cases during the year and ruled in favour of the Commissioner. They were related cases involving property transactions.

Figure 14 sets out statistics concerning appeals to the Courts for 2008-09.

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 2008			8		4	4	**16**
Add:	Lodged during the year		14		4	2	**20**
			22		8	6	**36**
Less:	Disposed of —						
	Decided	3		3		4	
	Discontinued	4	7	1	4	-	4 **15**
Awaiting hearing or decision as at 31 March 2009			15		4	2	**21**

Business Registration

Inland Revenue Department aims to maintain an efficient business registration system. Every person carrying on 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. Up to 31 March 2009, 13,553 businesses had taken the 3-year certificates.

As a budgetary measure, the business registration fee was waived in 2008-09. The wavier applied to the certificates commencing during the period 1 April 2008 to 31 March 2009. Businesses electing for 1-year certificate only needed to pay the levy for the Protection of Wages on Insolvency Fund of $450. For 3-year certificates, the business registration fee and the levy were respectively $3,200 and $1,350.

Concessionary refunds are granted upon application to businesses that have already paid the 2008-09 registration fees but are not required to renew their registration certificates in the year 2008-09 (i.e. businesses holding 3-year certificates with expiry dates on or after 31 March 2009; or businesses whose registration certificates expire between 1 April 2008 and 31 March 2009 but are not required to renew their registration certificates because of cessation of business). Up to 31 March 2009, the Department had issued concessionary refunds to 9,830 businesses and the total amount of refunds is $14 million.

With the waiver of registration fee in 2008-09, the total number of active registrations increased by 63,529 and reached its record high of 884,296 **(Figure 15)**. The total number of new and re-opened registrations in 2008-09 has increased by 14,394, when compared with that for the previous year **(Schedule 8)**. There was also a corresponding increase in the number of certificates issued. Due to the waiver, the business registration fees collections dropped to $154 million, a drastic decrease of 90.1% from the last year **(Figure 16)**.

Figure 15 Active business registration

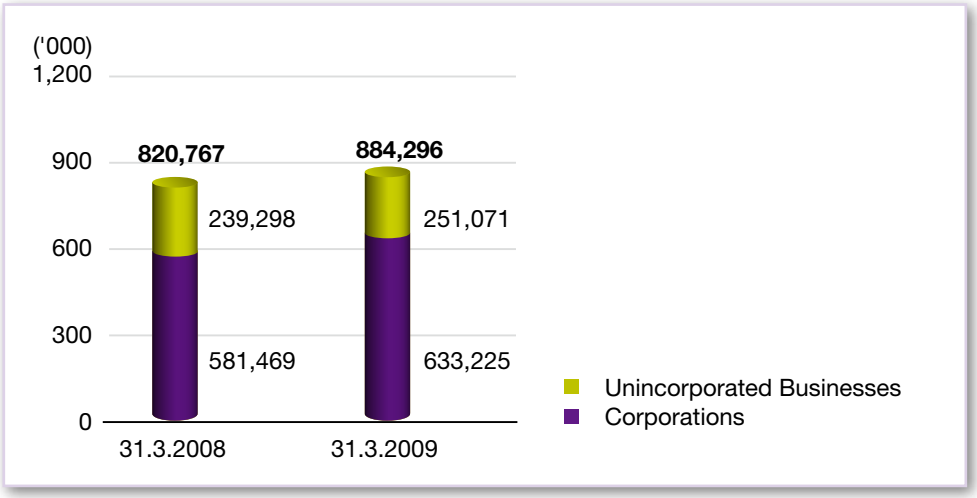


Figure 16 Certificates issued and fees collected

	2007-08	**2008-09**	Increase / Decrease
Number of certificates issued (Main and Branch)	856,489	**951,345**	+11.1%
Fees (inclusive of penalties) ($m)	1,565.8	**154.4**	-90.1%

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 business registration fee and levy. The number of exemptions granted during the year was 13,737, representing a decrease of 24% from the previous year.

Where an application for exemption is not allowed, the business operator may appeal to the Administrative Appeals Board. Two appeals were received by the Board in 2008-09, but were subsequently withdrawn by the appellant **(Figure 17)**.

Figure 17 Appeals to the Administrative Appeals Board

			Number
Awaiting hearing as at 1 April 2008			0
Add:	Lodged during the year		2
			2
Less:	Disposed of —		
	Appeal allowed	0	
	Appeal dismissed	0	
	Appeal withdrawn	2	2
Awaiting hearing as at 31 March 2009			0

Stamp Duty

Stamp duty is charged on instruments effecting property and stock transactions and leasing of property in Hong Kong **(Figure 18)**.

The global financial turmoil has adversely affected the Hong Kong property market. Both the number and value of transactions decreased significantly in the latter half of 2008-09. The stamp duty collections from property transactions in 2008-09 dropped to $10 billion, representing a 36% decrease when compared with the previous year.

The Hong Kong stock market also suffered a significant downturn. Both the trading value and share price have plummeted sharply. The stamp duty collections from share transactions in 2008-09 decreased to $21.7 billion, a drop of 39% from the previous year.

Overall, there was a decrease of 38% in total stamp duty collections during the year **(Figure 19** and **Schedule 9)**. The number of documents being stamped also decreased by 23% **(Schedule 10)**.

Figure 18 Composition of stamp duty collections

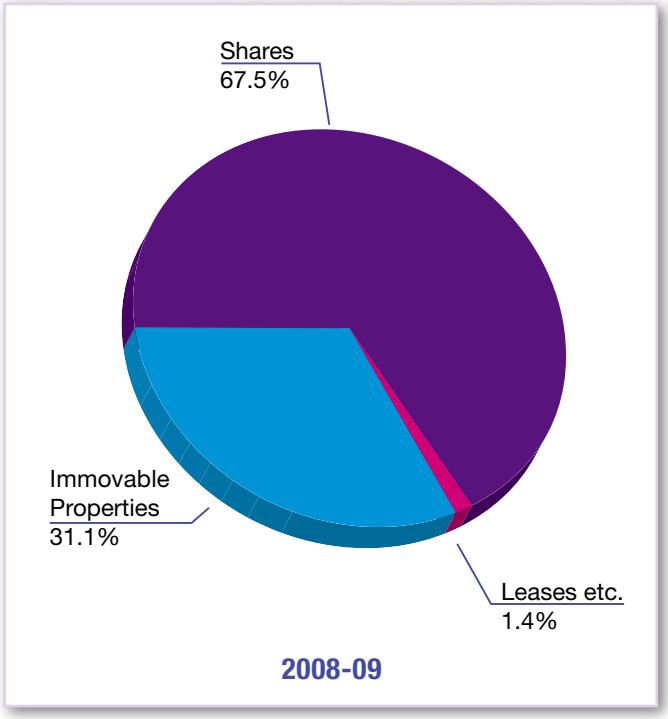


Figure 19 Stamp duty collections

	2007-08 ($m)	**2008-09 ($m)**	Increase / Decrease
Immovable Properties	15,701	**10,009**	-36%
Shares	35,447	**21,702**	-39%
Leases etc.	401	**451**	+12%
Total	51,549	**32,162**	-38%

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 came into effect on 11 February 2006 abolishing estate duty in respect of persons passing away on or after that date. No estate duty affidavits and accounts need to be filed and no estate duty clearance papers are needed for the application for a grant of representation in respect of deaths occurring on or after that date. The estate duty chargeable in respect of estates of persons dying on or after 15 July 2005 and before 11 February 2006, with the principal value exceeding $7.5 million, will be reduced to a nominal amount of $100. Due to

the abolition of estate duty, the number of new cases in 2008-09 decreased by 27.8% to 2,082, as compared with last year **(Figure 21)**.

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

Figure 20 Composition of estates

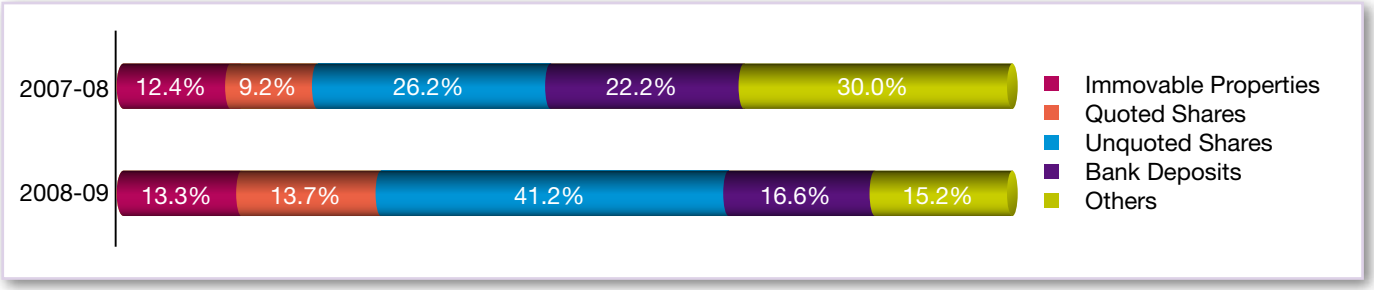


Figure 21 Estate duty cases

	2007-08	**2008-09**
New cases	2,885	**2,082**
Cases finalised		
Dutiable	159	**74**
Exempt	2,893	**2,078**
	3,052	**2,152**

Estate duty of $176 million was collected during the year **(Schedule 11)**, a decrease of $177 million (50.2%) compared with 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). $17 million was received during the year in advance of the issue of formal assessments **(Schedule 12)**.

Betting Duty

Since 1 September 2006, the effective date of the Betting Duty (Amendment) Ordinance 2006, betting duty is charged on the net stake receipts derived from the conduct of authorised betting on horse races by the HKJC Horse Race Betting Limited; 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.

In 2008-09, the rates of duty on horse racing, lotteries and football betting remained unchanged **(Figure 22)**.

Figure 22 Rates of betting duty in 2008-09

		Rate
Horse race betting	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: * 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 2008-09, the duty collections from horse racing dropped by 3.87% **(Schedule 13)**. The lotteries duty collections and the football betting duty collections decreased respectively by 5.97% and 0.06%. Total betting duty collections in 2008-09 was 3.28% lower than the previous year **(Figure 23)**.

Figure 23 Betting duty collections

	2007-08 ($m)*	**2008-09 ($m)**	Decrease
Horse racing	8,414.9*	**8,089.2**	-3.87%
Lotteries	1,686.0	**1,585.3**	-5.97%
Football betting	2,947.5	**2,945.8**	-0.06%
Total	13,048.4	**12,620.3**	-3.28%

Note: * Included the "top-up" amount of $119 million for the racing year of 2006-07 – The Hong Kong Jockey Club has provided to the Government a guarantee of $8 billion on the duty on horse race betting in each of the first three years of implementation of the Betting Duty (Amendment) Ordinance 2006.

Hotel Accommodation Tax

Hotel accommodation tax is imposed on hotel and guesthouse accommodations at the specified rate of the accommodation charges paid by guests and is collected quarterly in arrears.

The rate for hotel accommodation tax was 3% on or before 30 June 2008. It was reduced to 0% from 1 July 2008. During the 0% tax rate period, hotels and guesthouses are not required to impose hotel accommodation tax on accommodations hired by the guests and do not need to file the hotel accommodation tax return to the Collector of Stamp Revenue quarterly.

Figures 24 and **25** show the number of hotels and guesthouses, taxable rooms and exempted rooms, and room occupancy rates for the years 2007-08 and 2008-09. As the tax rate was reduced to 0% from 1 July 2008, the 2008-09 collections were made up of tax revenue for the two quarters of January to March 2008 and April to June 2008. The numbers for 2008-09 shown in **Figure 24** represents the position as at 30 June 2008. The room occupancy rates in 2008-09 shown in **Figure 25** represents the room days and occupancy rate for 6 months from January to June 2008.

Figure 24 Hotels and guesthouses, taxable rooms and exempted rooms

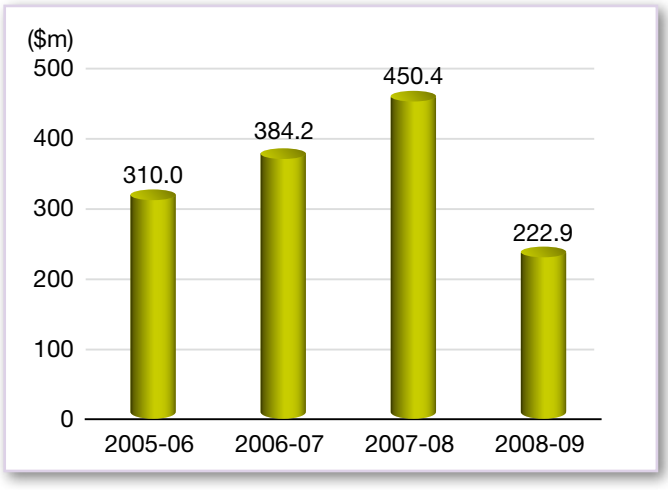
	2007-08	**2008-09**
Hotels and guesthouses	230	**236**
Taxable rooms	53,550	**55,391**
Exempted rooms	6,947	**7,333**

Figure 25 Room occupancy rates

	2007-08	**2008-09**
Room days	15,135,422	**7,930,653**
Occupancy rate	85.4%	**83.8%**

With the hotel accommodation tax rate reduced to 0%, the hotel accommodation tax collections in 2008-09 was $222.9 million **(Figure 26** and **Schedule 14)**, decreased by 51% as compared with the previous year.

Figure 26 Hotel accommodation tax collections



Tax Reserve Certificate

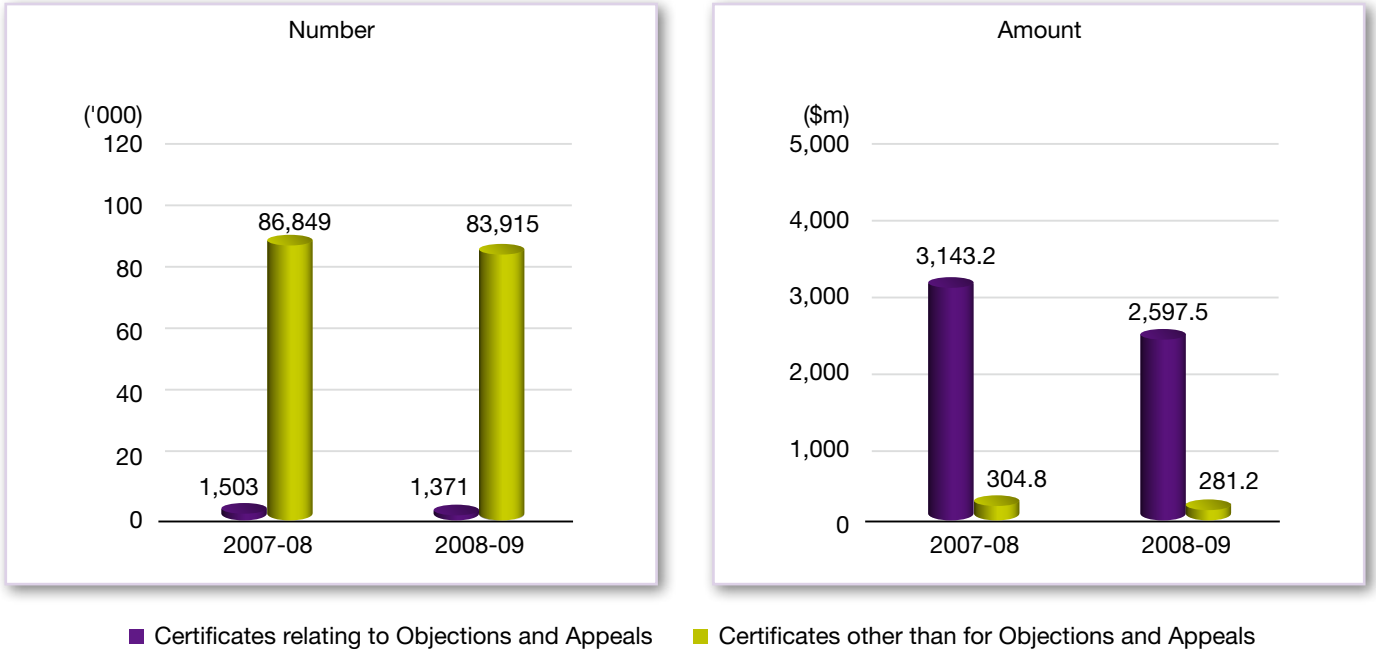
Taxpayers may purchase Tax Reserve Certificates (TRCs) under two situations.

The first situation applies to taxpayers who wish to save for the payment of their future tax liabilities. IRD has set up two schemes, namely the "Electronic Tax Reserve Certificates Scheme" for all taxpayers and the "Save-As-You-Earn" (SAYE) Scheme for civil servants and civil service pensioners. With a Tax Reserve Certificate account, taxpayers may purchase TRCs by various channels, including bank auto-pay, telephone, the Internet and bank ATM. Under the "SAYE Scheme", civil servants and civil service pensioners can purchase TRCs through monthly deductions from their salaries / pensions. Interest is payable on the TRCs 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 2008-09, there was a modest decrease in both the number and the amount of TRCs sold under the "Electronic Tax Reserve Certificates Scheme" and the "SAYE Scheme". The number and the amount of TRCs sold dropped by 1% and 7% respectively under the "Electronic Tax Reserve Certificates Scheme", and by 5% and 9% respectively for the "SAYE Scheme" **(Schedule 15)**. Overall, the total amount of TRCs sold decreased by 8% **(Figure 27)**.

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

Figure 27 Certificates sold



Collection

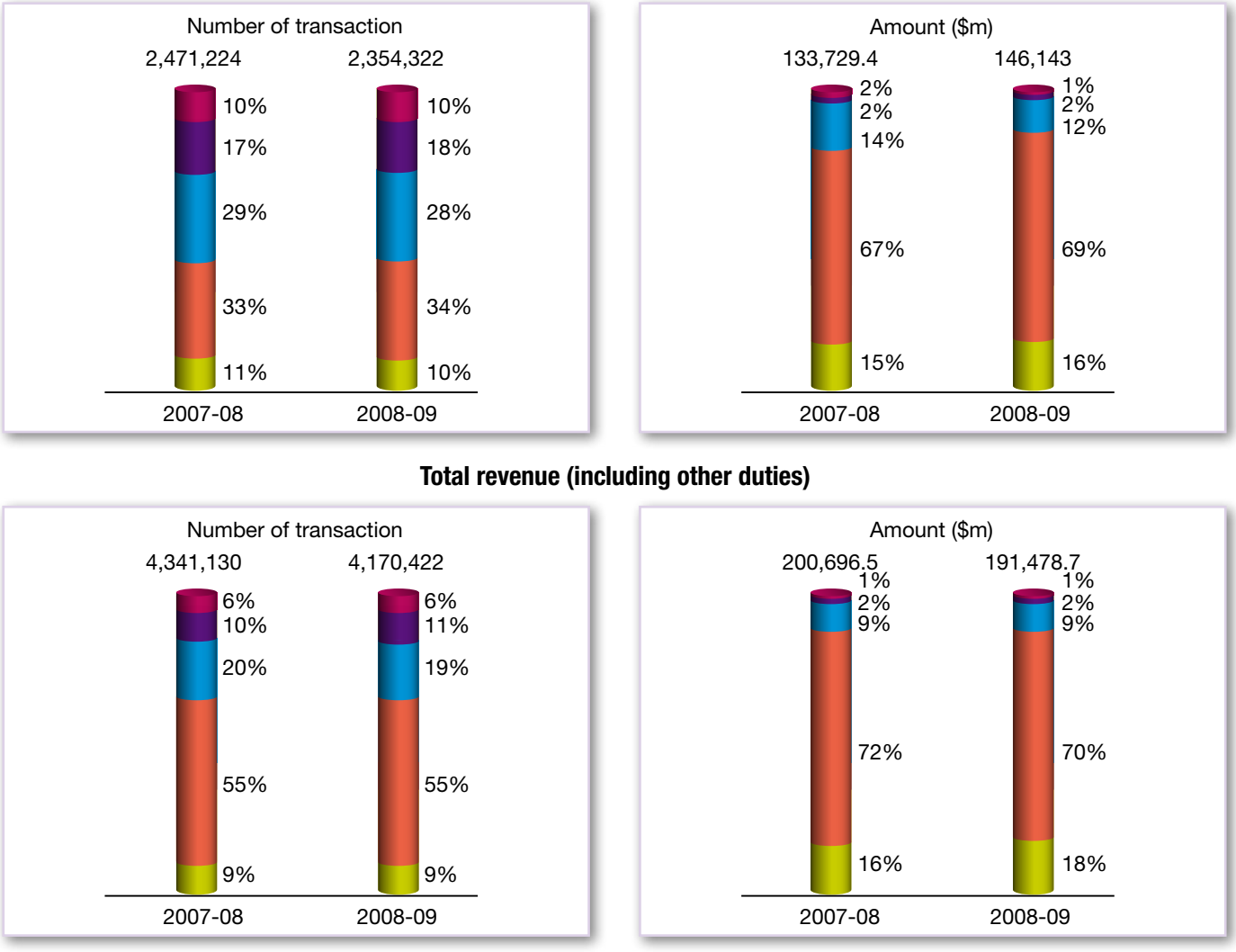
Revenue collected by the Inland Revenue Department includes tax, additional tax, surcharge and fines. **Schedules 16** and **17** provide details of additional tax, surcharge and fines imposed by the Department in respect of earnings and profits tax during 2008-09.

Collection of Tax

There are various payment methods that a taxpayer can choose to settle his tax liability, including electronic payments (by phone, bank ATM or the Internet), payment in person or payment by post. Electronic tax payments have been well received by the public. For earnings and profits tax, 56% of the payment transactions in 2008-09, similar to that in the previous year, were made through electronic means. **Figure 28** shows the respective percentages of the different payment methods used by taxpayers under earnings and profits tax and total revenue.

Figure 28 Payment methods

Earnings & profits tax



Total revenue (including other duties)

By ATM By Phone Via Internet In Person By Post

Refund of Tax

Refunds were made to taxpayers for various reasons, such as overpayment of tax or revision of an assessment. Owing to the reduction of salaries tax, profits tax, property tax and tax charged under personal assessment for the year of assessment 2007-08, some 535,000 refund cases with total refunds of $9.2 billion were made in 2008-09, representing a respective increase of 24% and 26% as compared with the previous year **(Figure 29)**.

Figure 29 Tax refunds

	2007-08		2008-09	
Type of tax	Number	Amount ($m)	**Number**	**Amount ($m)**
Profits tax	29,838	3,642.9	**37,337**	**5,108.7**
Salaries tax	346,314	2,025.7	**432,013**	**2,521.4**
Property tax	15,335	149.6	**19,297**	**147.2**
Personal assessment	25,655	255.5	**21,566**	**205.8**
Others	15,276	1,258.5	**25,662**	**1,221.2**
Total	**432,418**	**7,332.2**	**535,875**	**9,204.3**

Recovery of Tax in Default

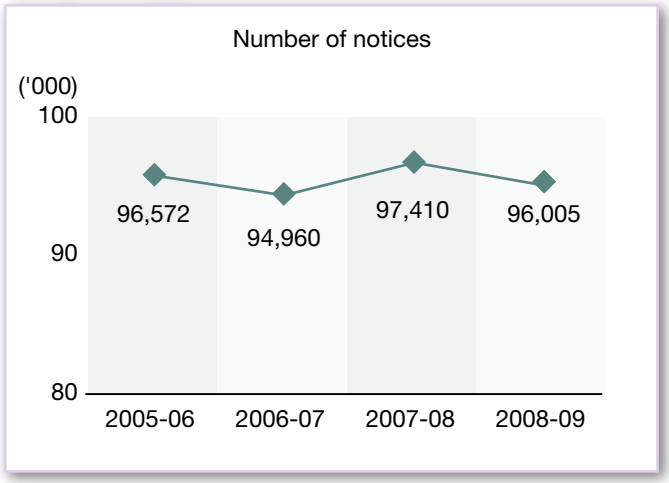
Taxpayers should pay tax on or before the due date shown on the demand notes issued to them. The vast majority of taxpayers settle their tax liabilities in a timely manner.

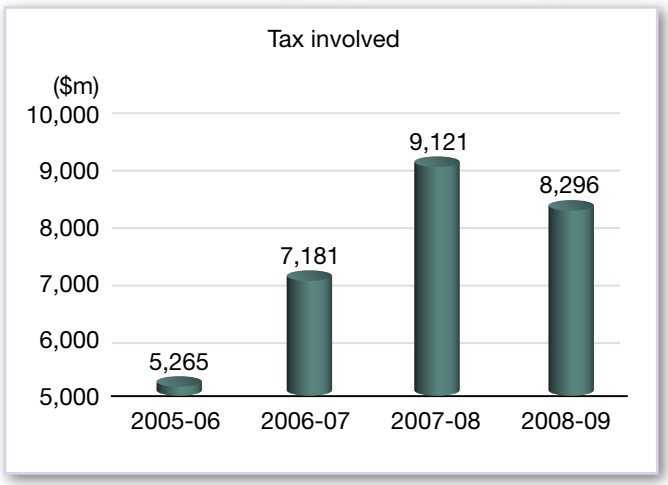
A late payment surcharge of 5% will generally be imposed where tax is in default. If tax debts remain outstanding for more than six months after the due date, the Department may impose a further surcharge of 10% on the total unpaid amount.

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 2008-09.

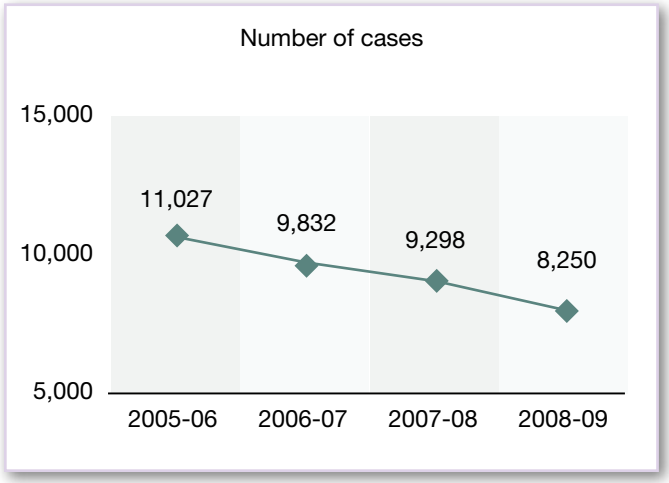
Figure 30 Recovery action

Recovery notices





Recovery actions in the District Court



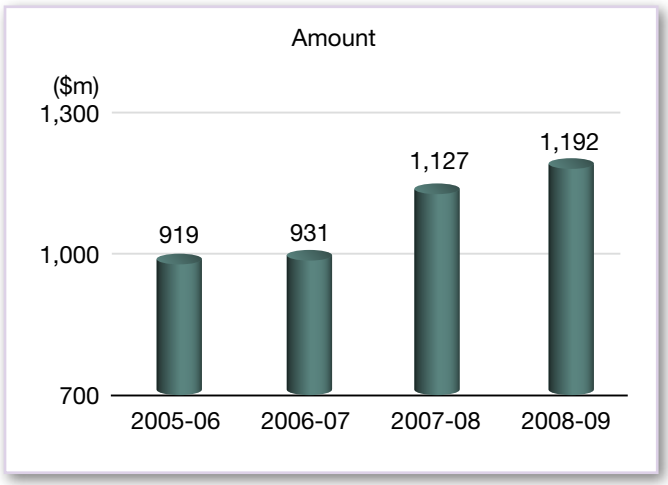


Figure 31 Legal costs and judgment interest collected in 2008-09

	$	$
Court cost		
Court fees	2,393,182	
Execution fees	31,636	2,424,818
Fixed cost		997,314
Judgment interest		
Pre-judgment interest	2,799,754	
Post-judgment interest	17,062,507	19,862,261
Total costs and interest collected		**23,284,393**

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, for his issuance of the "departure prevention direction". 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 2008-09, the Field Audit and Investigation Unit completed 1,862 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

	2005-06	2006-07	2007-08	**2008-09**
Number of cases completed	1,873	1,875	1,864	**1,862**
Understated earnings and profits ($m)	10,934.9	10,474.8	12,133.2	**9,084.7**
Average understatement per case ($m)	5.8	5.6	6.5	**4.9**
Back tax and penalties assessed ($m)	2,118.3	2,196.2	2,528.5	**2,181.2**
Back tax and penalties collected ($m)	2,189.2	2,444.6	2,548.3	**2,566.6**

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 2008-09, 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 2008-09, the Field Audit and Investigation Unit completed 218 tax avoidance cases and assessed back tax and penalties of about $530 million **(Figure 33)**.

Figure 33 Results of the audit on tax avoidance cases

	2005-06	2006-07	2007-08	**2008-09**
Number of cases completed	209	195	188	**218**
Understated earnings and profits ($m)	4,542.3	4,608.9	4,246.7	**1,978.4**
Average understatement per case ($m)	21.7	23.6	22.6	**9.1**
Back tax and penalties assessed ($m)	624.2	778.6	591.0	**527.1**

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 2008-09, 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 2008-09, the Department instituted prosecution on 3 cases involving the making of false or incorrect statements in connection with claims for dependent parent allowances and additional dependent parent allowances. The taxpayers in 2 cases were convicted and were fined and sentenced to 2 months' imprisonment respectively. The other case was mentioned before the court within the year and the taxpayer was convicted and sentenced to 6 weeks' imprisonment in May 2009.

Property Tax Compliance Check

In addition to conducting audits on businesses, the Unit also carries out verification checks on the correctness of rental income reported by property owners. Commencing from 2006-07, the Department broadened the scope of review to cover cases with lower rental income. In 2008-09, compliance check was completed on 60,419 property tax cases **(Figure 34)**.

Figure 34 Results of the property tax compliance checks

	2005-06	2006-07	2007-08	**2008-09**
Number of cases completed	10,294	18,162	36,703	**60,419**
Understated rental income ($m)	330.1	201.9	258.1	**257.6**
Back tax and penalties assessed ($m)	40.9	25.6	33.0	**33.8**

Taxpayer Services

The Inland Revenue 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 remains an important platform for disseminating tax information to the public. With contents expanded and updated regularly, the Homepage provides a ready means for taxpayers to obtain the most current information about taxes in Hong Kong anytime, anywhere.

Through the Homepage, members of the public can:

- obtain information on how to complete tax returns, fulfil tax obligations and find answers to frequently asked questions;
- download IRD software and tax forms;
- use the interactive program to calculate their liability under salaries tax and personal assessment; and
- access to the personalised on-line tax services provided by the Department under eTAX.

Other programmes available in the Homepage include a Tax Representatives' Corner, as well as e-Seminars for employers, property owners and individual taxpayers.

Besides the Homepage, information on a wide range of topics is also disseminated to the public through GovHK.

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 available through eTAX.



Telephone and Counter Enquiry Services

The Department's Enquiry Service Centre handles telephone and counter enquiries. The Centre is equipped with a computer network linked to the Department's Knowledge Database and aims to provide, as far as possible, an immediate "one-stop" service.

The Centre makes use of an Interactive Telephone Enquiry System, with 144 telephone lines to provide service. Callers can gain access on a 24-hour basis to a wide range of tax information by listening to recorded messages and obtaining facsimile copies of the information and forms. Callers can choose to speak to operators during office hours. A "Leave-and-call-back" facility, for recording information requests, and a "Fax-in enquiry" service are also available. The Centre also provides an eTAX help desk hotline to support users of eTAX services at <www.gov.hk/etax>.

About 1.23 million telephone calls were answered by the Centre during the year. The number of calls answered by staff was 0.67 million **(Figures 35** and **36)**.

Figure 35 Number of telephone calls answered

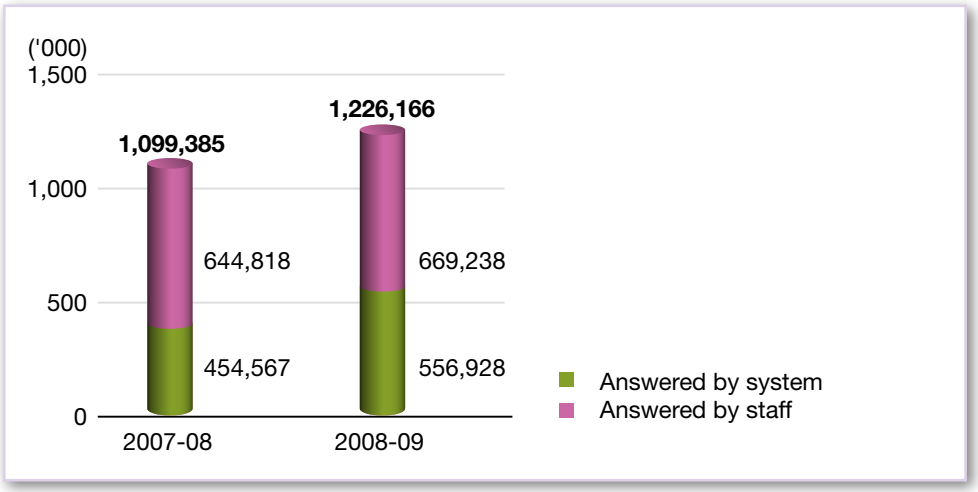


Figure 36 Telephone enquiries

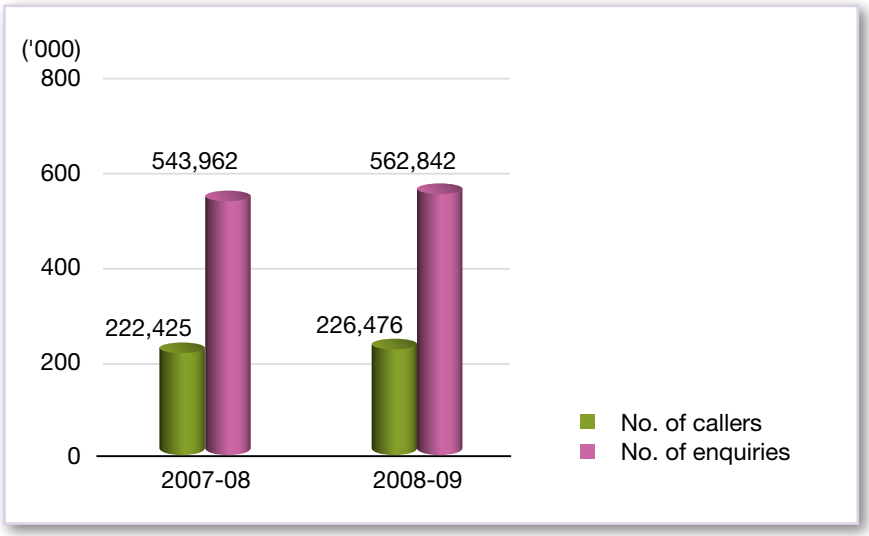
	2007-08	**2008-09**	Increase / Decrease
No. of calls answered by staff	644,818	**669,238**	+3.8%
No. of enquiries answered by staff	685,510	**700,155**	+2.1%
No. of calls answered by system	454,567	**556,928**	+22.5%
No. of leave-and-call-back messages	12,541	**41,529**	+231.1%
No. of fax supplied by the system	9,769	**6,734**	-31.1%

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.

Counter enquiries are attended within the shortest possible time. The Centre's electronic queuing system ensures that taxpayers are served in the order of their tag number. The number of counter enquiries handled during the year was 0.56 million **(Figure 37)**.

Information leaflets on topics of general interest are available at the two form stands located on the ground and first floors of Revenue Tower. The public may also obtain tax information and download forms from the Department's web site<www.ird.gov.hk>.

Figure 37 Counter enquiries



Tax-help Services for Completion of Tax Returns

On the IRD Homepage we provide 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. After reading the information, taxpayers can raise enquiries electronically at the "Q&A Column". IRD will reply the questions on a regular basis.

IRD issued tax returns to all individual taxpayers on 2 May 2008. To answer taxpayers' enquiries on tax filing, the Department extended service hours of telephone operators from that date for one month, up to 7 p.m. from Mondays to Fridays, and 9 a.m. to 1 p.m. on Saturdays.

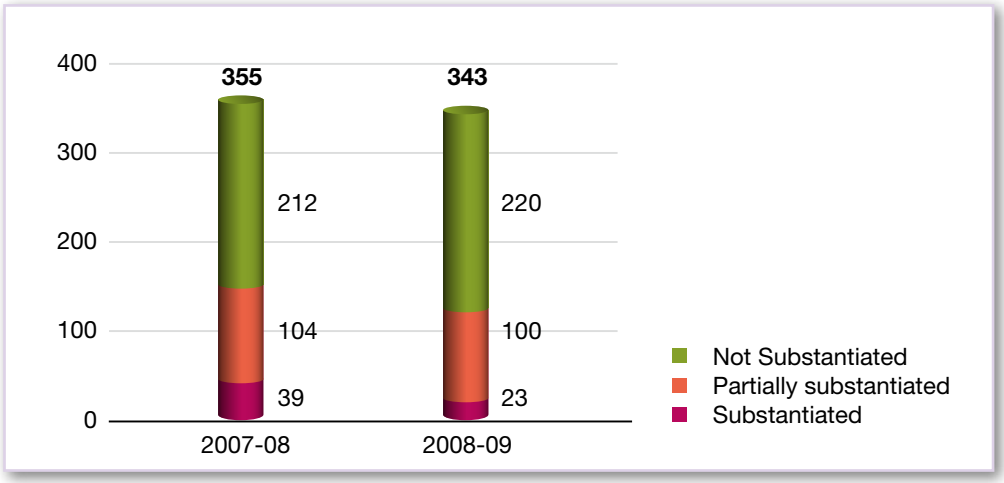
Complaints and Compliments

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 2008-09, 343 complaints cases were received **(Figure 38)**. This represents a decrease of 3%, 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 12 cases. In the light of these cases, the Department has reviewed relevant operations with a view to improving them.

Figure 38 Complaint cases



Taxpayers may compliment the service of Inland Revenue Department. During the year, 104 Letters of Compliments were received.



Performance Pledges

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



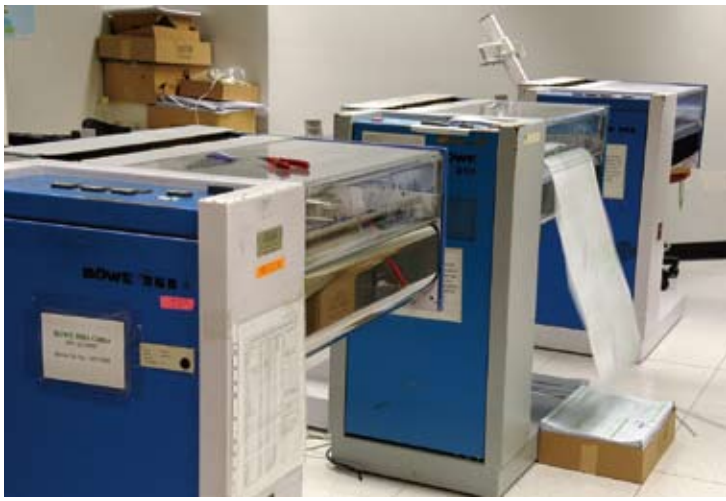
Information Technology

During the year, Inland Revenue Department continued to enhance efficiency, productivity and quality of services through strategic use of advanced information technology (IT) and promotion of electronic services.

Information Systems

The Department has established comprehensive Information Systems to improve productivity, enhance efficiency and achieve manpower saving. Through the "Assess-First-Audit-Later" (AFAL) system, most tax assessments are processed automatically. Tax audit and investigation work are facilitated through the use of data mining and advanced analysis tools. The Document Management System and Workflow Management System are in place to manage documents, files and workflows, allow the officers to have concurrent access to the electronic documents through the computer network and facilitate them to handle various tasks simultaneously. During the year, the Department enhanced the Document Management System to increase its capability to support the launch of new services for issuing electronic notices to taxpayers. The scope of the Workflow Management System was also expanded to allow taxpayers to lodge objection against tax assessments and apply for holding over of provisional tax electronically. The integration of these systems greatly enhanced the quality of services and improved responsiveness to requests from the public.





IT Enabled Workplace

The Department operates in a computerised and paperless working environment with a well-developed network of over 2,700 workstations. By using the network facilities, the staff can perform on-line enquiries and updating transactions, process assessments and work tasks allocated to them by the Workflow Management System efficiently. They can also have convenient access to the Document Management System to view the images of tax returns and other documents, or to the Department's Intranet and General Enquiry Knowledge Database for quick access to information and answers for public enquiries. The network has a critical role in improving 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

Our continuous efforts to develop more convenient and user-friendly features have increased the popularity of our e-services and boosted up the overall usage rate. In 2008-09, the number of tax returns received through e-filing has increased by 40% to over 200,000 cases. About 232,000 e-stamping transactions and 75,000 requests for supply of information on Business Register were handled in the year.

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 2008-09, some 49,500 employers furnished electronic returns for about 2,550,000 employees. 36,900 of these employers used the free software provided by the Department.

eTAX

During the year, the Department continued to develop eTAX at the GovHK and rolled out a wide range of personalised online services to facilitate taxpayers to handle their tax affairs in a convenient manner. eTAX users are provided with a personal message box for receiving e-correspondence from the Department, including e-Returns, e-Assessment Notices, e-Receipts for tax payments, etc. e-Alert messages are sent before the deadline for filing tax returns and tax payments to help eTAX users to comply with their tax obligations. Through the new platform, taxpayers can also review their tax position, update their personal particulars, and lodge objections against tax assessment or apply for holding over of provisional tax electronically.

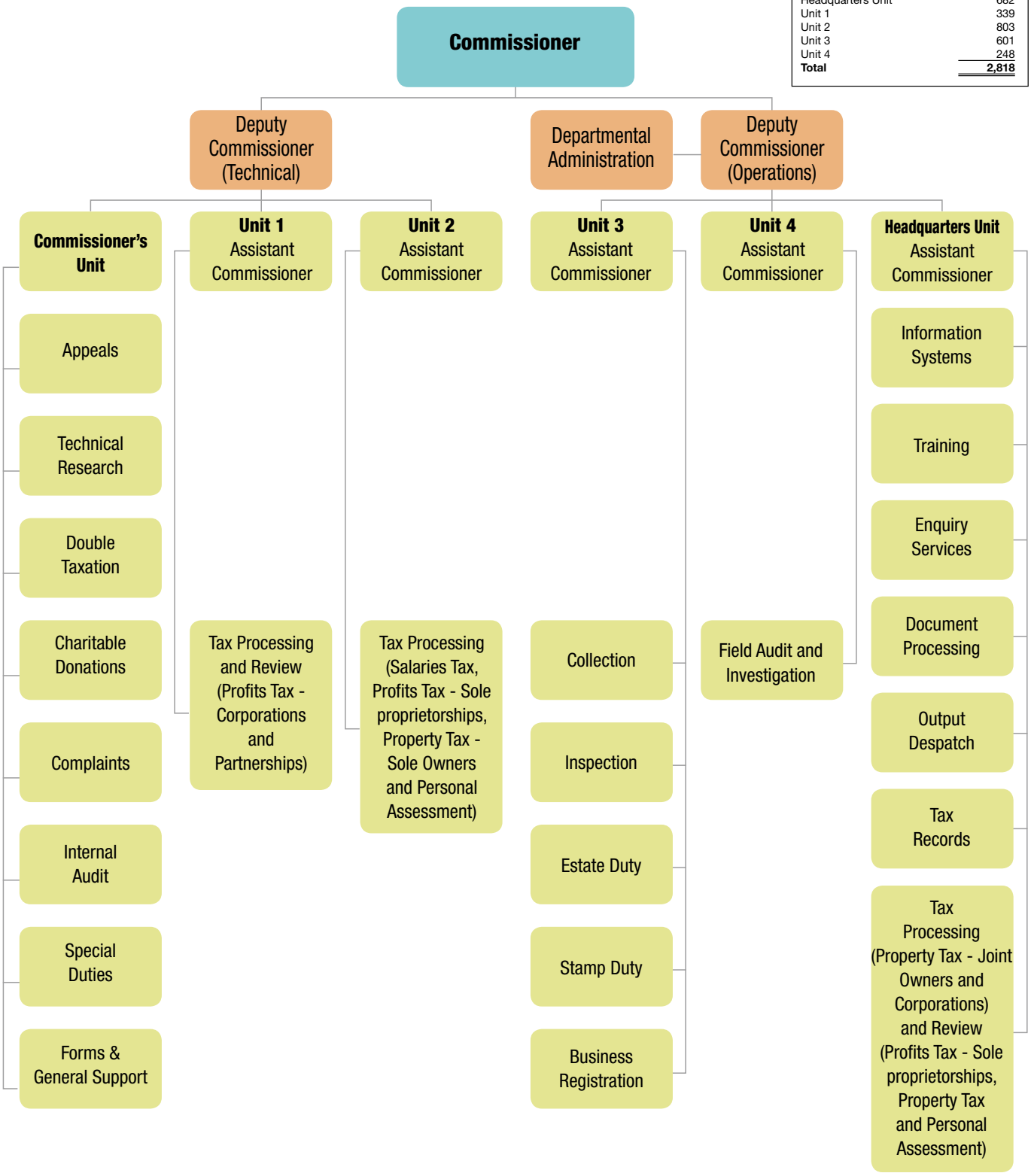


Up to 31 March 2009, some 218,000 taxpayers have registered as eTAX users. Over 50% of them selected to receive notices related to tax return filing, assessment and tax payment in electronic form. Together, they saved 2.1 million sheets of A4 papers. Apart from enjoying convenient services, eTAX users may contribute to environment protection.

Human Resources

Organisation Chart of Inland Revenue Department as at 31.3.2009

Overall Establishment	No. of Staff
Commissioner's Office	84
Commissioner's Unit	61
Headquarters Unit	682
Unit 1	339
Unit 2	803
Unit 3	601
Unit 4	248
Total	**2,818**



Establishment

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

As at 31 March 2009, the Department had an establishment of 2,818 permanent posts (including 25 posts for directorate officers) in the Commissioner's Office and 6 Units. Of the total, 1,805 posts were in departmental grades (namely Assessor, Taxation Officer and Tax Inspector grades), performing duties directly concerned with taxation. The remaining 1,013 posts were in common / general grades, providing administrative, information technology and clerical support 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 1:1.4.

Figure 39 Staff establishment

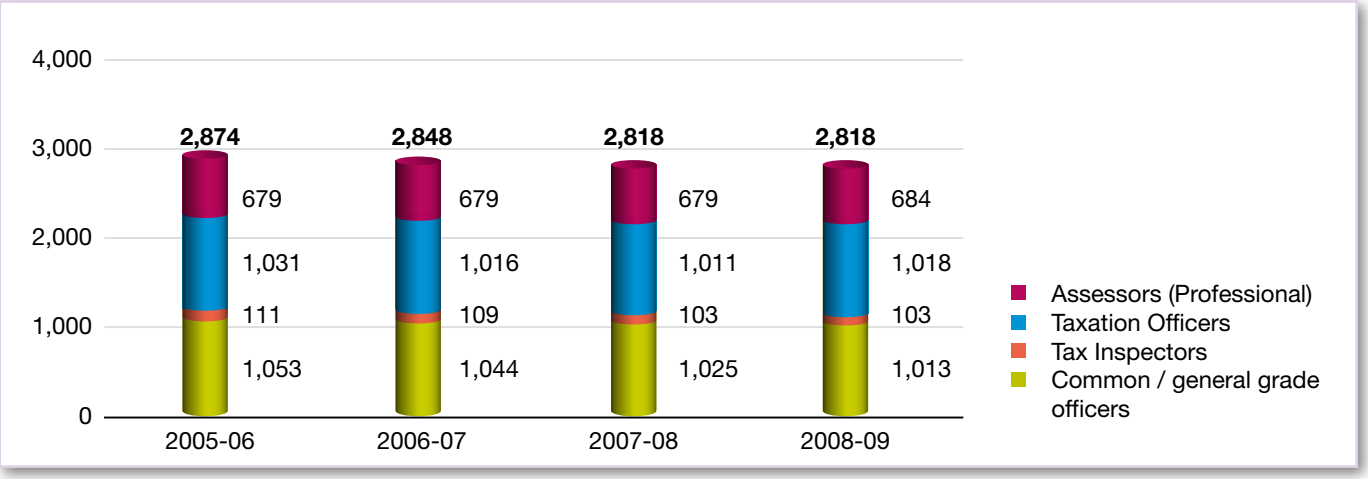


Figure 40 Age profile of professionals (on strength basis)

Age Group	Male		Female		Total	
Below 25	8	(3%)	15	(4%)	23	(3%)
25 to below 35	33	(12%)	94	(23%)	127	(19%)
35 to below 45	110	(39%)	146	(36%)	256	(37%)
45 to below 55	115	(41%)	132	(33%)	247	(36%)
55 and over	15	(5%)	16	(4%)	31	(5%)
Total	**281**	**(100%)**	**403**	**(100%)**	**684**	**(100%)**

Staff Promotions and Turnover

In 2008-09, a total of 45 departmental grades officers and 6 common / general grades officers were promoted. 3 departmental grades officers were promoted to directorate posts and the remaining 42 to non-directorate posts. 136 officers joined the Department, of which 112 were new appointees and 24 were officers transferred from other departments. A total of 88 officers (including 42 transferred to other departments) left the Department.

Recruitment

Education and Careers Expo 2009

To introduce the work of the Department and to disseminate career opportunities to the public who might have interest to pursue their career in the Department, the Department participated in the Education and Careers Expo 2009 organised by the Hong Kong Trade Development Council from 19 to 22 February 2009 at the Hong Kong Convention and Exhibition Centre. The Department's booth attracted over 12,000 visitors.



PolyU Job Fair 2009

The Department also participated in the PolyU Job Fair 2009 held from 19 to 20 March 2009 at the Hong Kong Polytechnic University. The Job Fair was a good opportunity for the Department to reach out to the undergraduates who might wish to pursue their career in the Department. The Department's booth attracted more than 1,000 students and visitors. A career talk was also arranged on 19 March 2009 to introduce the Department and career development to the students who might be interested to join the Department after graduation.

Training and Development

As in the previous years, the Department continues to offer a variety of training courses, including induction courses for all grades of staff upon their joining the Department, two-year taxation law and practice course for the newly appointed assistant assessors, briefing sessions for implementation of legislative amendments or launching of new services, oral English, English writing skills, performance

management, supervisory management, Putonghua and computer, etc. In 2008-09, a total of 8,460 man-days were undertaken by staff which is equivalent to about 3 man-days per staff.

New Training Initiatives

In 2008-09, the Department designed a series of new training initiatives to mid-career officers to refresh their professional knowledge and to enhance their soft skills for the performance of their duties. The programme included refresher courses on professional knowledge, leadership and teambuilding and management training. Assistant Commissioners of respective Units were invited to conduct those refresher courses. With the help of the Civil Service Training and Development Institute (CSTDI), we organised our first leadership and teamwork workshop at Sai Kung Outdoor Recreation Centre to enhance the officers' leadership skills and raise team spirit by experiential learning through games and outdoor activities. An effective negotiation skills workshop was specially designed for our officers working in Investigation and Field Audit Section to improve their negotiation skills. In view of the unique job nature, a senior officer was invited to conduct the case study session with the trainer of CSTDI.

Mentoring

To provide new colleagues with support on an informal and personal basis, a Mentorship Scheme for Assistant Assessors was launched in October 2008. The objective of this scheme is to provide newly recruited Assistant Assessor (mentee) advice and guidance by a more experienced officer (mentor) so as to broaden the perception of mentees about the Department and thus help them integrate better into the civil service. Since launched, 39 Assistant Assessors had joined the scheme and they were placed under the mentorship of 20 Assessors, 5 Senior Assessors and 1 Assistant Commissioner. To enhance the understanding of the mentors on mentoring, we organised a workshop on mentoring to discuss the essential skills on coaching. We also invited our Departmental Secretary and our Assistant Departmental Secretary to share their experience on the similar scheme in EO Grade. The Mentorship Scheme Launching Ceremony was officiated by the Commissioner of Inland Revenue in January 2009.



Continuing Professional Education

During the year, 14 seminars were held under the in-house Continuing Professional Education (CPE) Programme. The seminars covered a wide range of subjects including customer service, SME Financial

Reporting – International and Hong Kong Development, update on the Mainland of China and Hong Kong Double Taxation Arrangement, New Corporate Income Tax Law of PRC, tax avoidance and computer forensics, etc. Speakers for 8 of the seminars were staff members and the other 6 were experts from various fields. A total of 2,409 staff attended these 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.

Overseas and China Training

Opportunities are given to our professional officers to participate in overseas training programmes to broaden their horizon and enhance their knowledge on the increasing number of new global issues. During 2008-09, 27 professional officers attended overseas courses in the United States of America, Vietnam, Korea, Singapore and Malaysia. In addition, 8 professional officers attended national studies course at Peking University, Tsinghua University, Peking University Shenzhen Graduate School and Guangzhou Sun Yat-sen University, 1 professional officer attended the Thematic Study Programme - Architecture, Heritage and Conservation in Nanjing and Suzhou while another attended the Thematic Study Programme - Urban Greening in Urumqi and Shehezi.

Continuous Learning

Continuous learning is important as our staff must keep abreast of the changing environment and build up their knowledge to deal with their daily work. Apart from providing conventional classroom-type training, the Department also employs various means in promoting the culture of continuous self-learning. These include encouraging staff to take the web courses provided by the CLC Plus of CSTDI and providing financial support to officers to attend seminars and courses organised by academic and professional institutes. During 2008-09, 34 officers were sponsored by the Department to attend these courses. Training materials on technical issues were uploaded onto our Intranet for further study. This provides an effective way for the staff to acquire new knowledge and review what they have learnt.

Staff Relations and Welfare

Inland Revenue Department attaches great importance to staff relations and welfare. Maintaining effective communication with staff at all levels and promoting co-operation and mutual trust between the staff and management are of utmost importance in enhancing the Department's operational efficiency and productivity.

The Departmental Consultative Committee (DCC)

The Departmental Consultative Committee provides a formal and effective forum for management and staff to exchange views on topics of mutual concern such as recruitment, promotion, career posting, training, working environment, staff welfare, office security and safety. The Committee is chaired by the Deputy Commissioner (Operations) and comprises representatives from all staff unions / associations and staff groups in the Department.

The General Grades Consultative Committee (GGCC)

Staff members of the secretarial and clerical grades continue to make good use of the GGCC, which was first set up in 1999, to discuss with the management issues of specific interest to their grades.

The "Meet-the-Staff Programme"

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

The IRD Staff Suggestions Scheme

During 2008-09, 3 out of 6 suggestions received were granted different levels of cash awards and certificates of commendation in recognition of their contributions to enhancing operational efficiency and quality of service.

The Inland Revenue Department Newsletter

Published quarterly, the departmental newsletter is another channel of communication between the staff and management and serves to promote a sense of belonging in the Department. Service related issues, staff welfare, occupational and safety matters are disseminated through articles and contributions from staff and unit management. The newsletter also provides a regular roundup on the recreational activities organised by the Department's Sports Association as well as volunteer activities organised by the Department's Volunteer Team.



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, quick source of emergency relief to help staff with unexpected financial difficulties.

Commissioner's Commendation Letter Scheme

In 2008-09, 63 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 2009.



SCS's Commendation Award 2008

In 2008, 3 officers in the Department (including 1 Senior Assessor, 1 Senior Taxation Officer and 1 Senior Clerical Officer) were awarded the SCS's Commendation in recognition of their consistently outstanding service and exemplary performance. The presentation ceremony was held in November 2008.

The Long and Meritorious Service Travel Awards Scheme

In 2008-09, 37 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

The Sports Association plays a very important role in fostering staff relationship and sense of belonging. A wide range of indoor and outdoor activities was organised to enrich the intellectual, social and athletic interests of its members. The activities were well received by colleagues and their family members.



In addition, to celebrate the Department's 60th anniversary, the Association co-organised a series of commemorative activities, including the tree planting day, re-union tea party, exhibition and seminars, variety show and annual dinner 2008. Over 720 guests and colleagues forming 60 tables joined the annual dinner and had a very enjoyable evening.



The Association also actively took part in various fund-raising activities like "Medecins Sans Frontieres Day" and "ORBIS Pin Campaign". In May 2008, a donation drive was launched to raise funds for the victims of Sichuan earthquake. More than $700,000 was raised. The Association received a number of awards as a result of the colleagues' generosity and enthusiasm.



The IRD Volunteer Team under the auspices of the Association is an active participant in numerous community works, extending care and love to the less fortune in the society. In 2008-09, 190 colleagues participated in various kinds of voluntary services, recording a total of 4,213 hours of service. In recognition of the Volunteer Team's continuous efforts in caring the community, the Hong Kong Council of Social Service awarded the "Caring Organisation Logo" to the Department. This marks the fourth consecutive year in which the Department was granted the award.

Legislative Amendments

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



Revenue Ordinance 2008 (No. 21 of 2008)

This Ordinance amended the Inland Revenue Ordinance and the Hotel Accommodation Tax Ordinance to give effect to the following proposals in the Budget for the 2008-09 financial year:

1. Lowering the standard rate from 16% to 15%, and the corporate profits tax rate from 17.5% to 16.5%;
2. Increasing the basic allowance and single parent allowance from $100,000 to $108,000, and married person's allowance from $200,000 to $216,000;
3. Widening the tax band from $35,000 to $40,000;
4. Raising the deduction ceiling for approved charitable donations from 25% to 35% of assessable profits or income;
5. Allowing a 100% profits tax deduction for capital expenditure on environment-friendly machinery and equipment in the year of purchase, and shortening the depreciation period for environment-friendly installations mainly ancillary to buildings from the usual 25 years to 5 years;
6. One-off reduction of salaries tax, tax under personal assessment, profits tax and property tax for the year of assessment 2007-08 by 75%, subject to a ceiling of $25,000 for each case; and
7. Waiving the hotel accommodation tax from 1 July 2008.

Electronic Transactions Ordinance (G.N. 4593)

This notice specified that electronic records and digital signatures given or presented to Government through GovHK are acceptable for the following purposes:

1. Election for personal assessment;
2. Notification of change of address;
3. Application for holding over of payment of provisional tax;
4. Objection; and
5. Application for correction of assessments.

Specification of Arrangements (Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income) (Second Protocol) Order

Country / Region	Date of Order	Nature
Mainland of China	15 April 2008	Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) Orders

Country / Region	Date of Order	Nature
Finland	10 June 2008	Double Taxation Relief on Income From Aircraft Operations
Mexico	10 June 2008	Double Taxation Relief on Income From Aircraft Operations

Tax Reserve Certificates (Rate of Interest) Notices

Legal Notice No.	Periods in force	Annual rate of interest
46 of 2008	3 March 2008 to 6 April 2008	1.0500%
72 of 2008	7 April 2008 to 30 November 2008	0.4667%
250 of 2008	1 December 2008 to 4 January 2009	0.4500%
2 of 2009	5 January 2009 to 1 February 2009	0.3667%
19 of 2009	On or after 2 February 2009	0.2667%

Environmental Report

Green Management Policy

Inland Revenue Department is committed to providing a green office environment and to ensuring that its operation is conducted in an environmentally conscious and responsible manner. Consumption of paper and energy in the office remains the Department's green target in view of its office-based operations. We strive to protect and conserve the environment through:



- Ensuring the Department's operations will comply with the relevant environmental protection ordinances;
- Adopting green housekeeping measures, by avoiding, reducing or controlling environmental pollution and wastage arising from its day-to-day work practice;
- Requiring its contractors to implement sound environmental management systems and pollution control measures;
- Ensuring that all staff are aware of its Green Management Policy and will provide information about its Policy and initiatives to those who are interested; and
- Providing training courses and workshops on green management for staff to increase their awareness and encouraging them to participate in environmental protection programmes.

Green Management and Promotion of Green Awareness

Green Management

The Environment and Records Management Committee meets every 6 months and is chaired by the Departmental Secretary, the Department's Green Manager, and composed of green executives from various Units and Sections. During the year, the Committee continued to seek staff suggestions, set directions in our green policies, issued green office guidelines and updated staff on new green initiatives adopted. 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 promote environmental awareness amongst staff, including:

- Regular updating and displaying of environmental protection promotional materials on notice boards;

- Posting notices besides the relevant facilities to remind staff of energy saving;

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

- Disseminating useful and practical "Green Tips" via e-mail or the Departmental Newsletter to all staff to promote green living and green culture.

The Department also organised a tree-planting day at Tung Tsz, Tai Po in April 2008, and participated in various activities such as "Green Day" which was organised by the Community Chest in order to arouse our staff's awareness on environmental protection.

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



Environmental Protection Performance

To balance operational needs with environmental care and social responsibility, the Department focused its efforts to provide a healthy working environment with satisfactory indoor air quality, and to achieve energy conservation, reduction of paper consumption and waste minimisation and recovery.

Smoke-free Workplace

Inland Revenue Department continued to adopt the smoke-free workplace policy by designating all indoor areas being smoke-free. Non-smoking signs were displayed at conspicuous locations. Departmental circulars were re-circulated regularly to remind staff about the importance of maintaining a smoke-free working environment and providing green healthy public areas to visitors.

Indoor Air Quality (IAQ)

Our staff spend most of the time in offices and other indoor environment, therefore, we also strive to

provide and ensure good indoor air quality for them. Commissioned by the Electrical and Mechanical Services Department, a comprehensive IAQ measurement was conducted in the Department's offices located in the Revenue Tower to measure the twelve parameters indicating IAQ as recommended by the Environmental Protection Department, including the intensity of Carbon Dioxide, Respirable Suspended Particulates, Air-borne Bacteria and Radon. The award of the "Indoor Air Quality Certificate (Good Class)" to Revenue Tower in September 2008 shows that our office fully meets the requirements of the IAQ.

Energy Conservation

The Department is proactive in energy conservation. An overall drop of 13.15% was observed since 2002-03, when the Government's Economy Drive to economise on the use of resources was initiated. The Department will continue to closely monitor electricity consumption and adopt various energy saving measures, such as:

- Replacement of T8 fluorescent tubes by T5 types by phases so that more energy could be saved;
- Adoption of the "last-man-out" arrangement to ensure that lights and electric facilities / appliances would be switched off during lunch hour, after office hours or when not in use;
- Adjustment of timers so that the lights in the corridors and lift lobbies could be switched off on both Saturdays and Sundays to reduce electricity consumption; and
- Maintaining air-conditioned room temperature at 25.5°C during the year.

Adherence to the "3R" Principle

The Department continued to adhere to the 3R principle - "Reduce, Reuse and Recycle" in the consumption of materials.

Reduction and Reuse of Paper

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 recycled paper and / or the clean side of waste paper for printing and photocopying instead of virgin paper;
- Encourage paperless means of internal and external communication by using e-mail and floppy diskettes;
- Implement the "Electronic Leave Application and Processing System" for leave applications and approvals;

- 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;

- Circulate and re-circulate Departmental and Unit Circulars / Circular Memoranda / Posting Notices by e-mail;

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

- Promote the use of multiple screen method in printing on-line enquiries;

- 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;

- Continue to view reports on-line through the Computer Output On-line Retrieval System, thus obviating the need for printing computer reports in hard copy;

- Encourage the public to file tax returns electronically by eTAX or through other media like diskettes and use the Department's electronic services under GovHK; and

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

Waste recycling

We encouraged staff to participate in the recycling programmes. Bags and boxes were placed at various conspicuous locations on all floors of the Department, to facilitate the collection of three recyclable wastes, namely recyclable papers, aluminium cans and plastic bottles. Besides, used printer cartridges were also collected for recycling. The Department collected some 269,118 kg of waste paper, 37.94 kg of aluminium cans, 145.39 kg of plastic bottles and 7,051 used printer cartridges during the year.

New Initiatives and Targets

Inland Revenue 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 continue to 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, and to promote the selection of recycled paper and green products in our procurement.

Miscellaneous

Charitable Institutions

Charitable institutions are exempt from tax under the Inland Revenue Ordinance. As at 31 March 2009, the number of charities exempt from tax was 5,898, of which 621 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 2007-08, the amounts of approved charitable donations allowed under profits tax and salaries tax were $2.51 billion and $4.52 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 72,330 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.

Approval for Tax Return Forms and the Manner of Furnishing the Returns

The Board of Inland Revenue is constituted under the Inland Revenue Ordinance. It operates independently of the Inland Revenue Department and one of its functions is to approve returns to be used for property tax, salaries tax, profits tax and personal assessment, and the manner in which the tax returns are furnished.



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SCHEDULE 1 EARNINGS & PROFITS TAX — TAX ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2009

	Property Tax	Salaries Tax	Profits Tax (Corporations)	Profits Tax (Unincorporated Businesses)	Personal Assessment	Total
	($)	($)	($)	($)	($)	**($)**
Tax assessed during the year —						
2006-07 and earlier years	73,366,380	317,717,210	967,909,277	177,966,343	405,986,333	**1,942,945,543**
2007-08 Final Tax only	85,995,447	210,223,448	(2,445,882,251)	1,195,647,168	1,736,109,709	**782,093,521**
2008-09 Provisional Payments and Final Tax	717,486,373	38,820,285,446	99,931,991,828	3,764,542,488	1,057,770	**143,235,363,905**
Total Tax Assessed	**876,848,200**	**39,348,226,104**	**98,454,018,854**	**5,138,155,999**	**2,143,153,812**	**145,960,402,969**
Add: Collectables —						
Tax outstanding as at 31 March 2008 b/f	328,860,909	7,994,166,618	53,529,495,880	2,147,326,911	636,607,911	**64,636,458,229**
Surcharge, Compound Penalty and Additional Tax imposed and Costs awarded by the Board of Review	10,175,985	232,487,147	682,873,620	190,166,505	8,766,089	**1,124,469,346**
Interest on Tax Heldover	56,988	11,058,175	246,611,884	4,096,334	696,551	**262,519,932**
Write-off re-opened	2,618,708	47,610,247	70,316,130	12,014,261	3,379,797	**135,939,143**
Total of Tax Assessed and Collectables (a)	**1,218,560,790**	**47,633,548,291**	**152,983,316,368**	**7,491,760,010**	**2,792,604,160**	**212,119,789,619**
Collections during the year —						
Net Tax collected	821,880,679	38,763,514,184	98,611,258,017	4,662,432,089	2,142,934,011	**145,002,018,980**
(After allowing for refunds of tax)	121,863,225	2,346,348,194	4,875,635,466	144,289,234	201,297,723	**7,689,433,842**
Surcharge, Compound Penalty, Additional Tax and Costs awarded by the Board of Review	10,609,164	231,572,273	542,166,051	190,138,536	7,395,279	**981,881,303**
Interest on Tax Heldover	56,988	12,785,444	141,009,502	4,487,719	781,208	**159,120,861**
Total Net Collections (b)	**832,546,831**	**39,007,871,901**	**99,294,433,570**	**4,857,058,344**	**2,151,110,498**	**146,143,021,144**
Balance of Tax, Surcharge, etc. payable (a)-(b)	386,013,959	8,625,676,390	53,688,882,798	2,634,701,666	641,493,662	**65,976,768,475**
Less: Not collected by virtue of set-off	71,544,820	840,559,700	-	356,468,039	-	**1,268,572,559**
Written-off as irrecoverable	4,452,878	106,896,075	408,027,737	62,909,493	17,351,624	**599,637,807**
Tax, Surcharge, etc. outstanding as at 31 March 2009 carried forward	310,016,261	7,678,220,615	53,280,855,061	2,215,324,134	624,142,038	**64,108,558,109**
Less: Under objection or appeal	6,840,798	1,130,560,834	37,130,739,439	1,122,090,308	236,616,802	**39,626,848,181**
Listed for write-off but awaiting approval	663,094	343,526	8,024,512	3,574,012	555,209	**13,160,353**
Assessed but not yet due	191,561,141	4,740,429,000	11,686,757,350	446,218,857	179,934,838	**17,244,901,186**
Net Tax, Surcharge, etc. in arrears as at 31 March 2009	**110,951,228**	**1,806,887,255**	**4,455,333,760**	**643,440,957**	**207,035,189**	**7,223,648,389**

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

	2005-06		2006-07		2007-08		2008-09	
	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	81,148	71,354,676	88,399	73,509,822	92,014	91,400,615	**91,812**	**98,454,019**
Unincorporated Businesses	29,037	4,838,054	30,837	6,372,301	26,121	4,458,033	**29,031**	**5,138,156**
Salaries Tax	1,202,439	39,223,355	1,209,414	41,018,013	1,213,934	38,724,744	**1,219,526**	**39,348,226**
Property Tax	92,430	1,352,414	92,248	1,317,755	90,587	1,369,413	**107,574**	**876,848**
Personal Assessment	154,096	3,186,300	157,354	3,628,883	172,687	3,508,279	**164,028**	**2,143,154**
Total	**1,559,150**	**119,954,799**	**1,578,252**	**125,846,774**	**1,595,343**	**139,461,084**	**1,611,971**	**145,960,403**

	2005-06 Collections	2006-07 Collections	2007-08 Collections	2008-09 Collections
	($'000)	($'000)	($'000)	($'000)
Profits Tax —				
Corporations	65,586,079	65,499,672	86,775,624	**99,294,434**
Unincorporated Businesses	4,210,430	6,419,372	4,647,082	**4,857,058**
Salaries Tax	37,493,868	38,585,592	37,479,476	**39,007,872**
Property Tax	1,267,061	1,247,373	1,240,606	**832,547**
Personal Assessment	3,193,951	3,565,621	3,586,574	**2,151,110**
Total	**111,751,389**	**115,317,630**	**133,729,362**	**146,143,021**

SCHEDULE 3 CORPORATIONS — PROFITS TAX CONTRIBUTIONS FROM VARIOUS BUSINESS SECTORS

Business Sectors	Final Tax Assessed for Year of Assessment					
	2005-06		2006-07		2007-08	
	($'000)	(%)	($'000)	(%)	**($'000)**	**(%)**
Distribution —						
Retail	1,547,231	2.4	1,936,670	2.6	**2,424,375**	**2.6**
Wholesale, Import and Export	14,285,721	22.6	16,093,388	21.6	**17,482,100**	**18.9**
Foreign Corporations carrying on Import and Export	86,293	0.1	74,063	0.1	**96,156**	**0.1**
Public Utilities	4,762,618	7.5	4,794,483	6.4	**4,822,133**	**5.2**
Property, Investment and Finance (other than Banking)	10,691,680	16.9	14,935,033	20.0	**20,285,071**	**22.0**
Banking	14,433,836	22.8	16,161,387	21.6	**23,401,224**	**25.3**
Manufacturing —						
Clothing and Textiles	1,046,526	1.7	1,132,547	1.5	**975,119**	**1.1**
Food and Beverage Products	343,562	0.5	410,825	0.6	**434,009**	**0.5**
Steel and Other Metals	328,222	0.5	419,199	0.6	**391,660**	**0.4**
Printing and Publishing	531,315	0.8	565,299	0.8	**637,613**	**0.7**
Others	3,709,182	5.9	4,094,451	5.5	**4,011,621**	**4.3**
Shipping (including Shipping Agents, Shipbuilding, Docking, Travel Agents, Air Forwarding Agents and Airline Booking Agents)	1,437,219	2.3	1,556,224	2.1	**1,531,199**	**1.7**
Hotels, Restaurants and Amusement Centres	1,218,472	1.9	1,462,823	2.0	**1,689,152**	**1.8**
Stevedoring, Wharfing and Godowns	1,047,205	1.7	931,482	1.2	**1,089,141**	**1.2**
Clubs and Associations	486,787	0.8	602,833	0.8	**943,134**	**1.0**
Insurance Companies	700,047	1.1	1,064,950	1.4	**1,548,329**	**1.7**
Non-resident Corporations Trading through Agents (including Consignment Tax)	1,164,822	1.8	1,160,299	1.6	**1,300,820**	**1.4**
Building Contractors and Engineering Works	964,214	1.5	1,013,873	1.4	**986,918**	**1.1**
Aircraft Owners and Operators	44,553	0.1	31,129	0.0	**123,003**	**0.1**
Taxis, Hire Cars, Public Light Buses and Motor Boats	126,820	0.2	139,345	0.2	**136,974**	**0.2**
Miscellaneous	4,355,391	6.9	5,923,260	8.0	**8,060,838**	**8.7**
Total	**63,311,716**	**100.0**	**74,503,563**	**100.0**	**92,370,589**	**100.0**

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

Business Sectors	Final Tax Assessed for Year of Assessment					
	2005-06		2006-07		2007-08	
	($'000)	(%)	($'000)	(%)	**($'000)**	**(%)**
Property Developers, Property Dealers, Property Agents and Subletting Businesses	150,760	6.0	18,196	0.8	**86,728**	**3.3**
Finance and Securities including Brokers, Dealers and Insurance Agents	163,679	6.5	132,064	6.0	**194,515**	**7.4**
Builders, Decorators and Civil Engineering Works	25,265	1.0	21,999	1.0	**16,028**	**0.6**
Distribution —						
Import and Export	99,273	3.9	85,485	3.9	**73,234**	**2.8**
Wholesale	42,655	1.7	44,312	2.0	**49,248**	**1.9**
Retail	151,589	6.0	142,673	6.4	**149,671**	**5.7**
Manufacturing —						
Agricultural Trades and Food & Beverage Products Manufacturers	1,810	0.1	2,822	0.1	**3,200**	**0.1**
Cloth and Clothing	24,491	1.0	22,730	1.0	**17,365**	**0.7**
Chemical Products and Mechanical Engineering	46,637	1.8	35,483	1.6	**22,760**	**0.9**
Printing and Publishing	16,292	0.6	13,646	0.6	**7,306**	**0.3**
Others	36,798	1.5	26,312	1.2	**23,494**	**0.9**
Hotels, Restaurants and Amusement Centres	35,344	1.4	21,821	1.0	**21,211**	**0.8**
Transport (including Wharfing and Godowns)	37,406	1.5	27,799	1.3	**25,681**	**1.0**
Professions —						
Accountants	316,992	12.5	300,871	13.6	**362,205**	**13.8**
Architects, Engineers, Surveyors, etc.	9,606	0.4	6,995	0.3	**5,899**	**0.2**
Doctors and Dentists	650,719	25.7	564,277	25.5	**674,258**	**25.6**
Solicitors and Barristers	602,259	23.8	631,493	28.6	**784,392**	**29.8**
Other Professions	106,638	4.2	100,545	4.5	**100,238**	**3.8**
Miscellaneous	9,862	0.4	13,039	0.6	**11,273**	**0.4**
Non-resident Businesses (Note)	55	0.0	273	0.0	**196**	**0.0**
Total	**2,528,130**	**100.0**	**2,212,835**	**100.0**	**2,628,902**	**100.0**

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

SCHEDULE 5 ANALYSIS OF SALARIES TAX ASSESSMENTS FOR THE YEAR OF ASSESSMENT 2007-08 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	42,361	2.99	0	4,477,826	4,236,100	1,464	2,883	524	0	48,576	188,279	923	0.01	**22**
110,001 — 120,000	56,795	4.01	0	6,551,837	5,681,015	15,272	13,631	6,465	85	136,264	699,105	3,473	0.01	**61**
120,001 — 130,000	52,260	3.69	0	6,530,665	5,232,015	33,232	20,991	19,766	94	146,280	1,078,287	5,376	0.01	**103**
130,001 — 140,000	50,220	3.55	0	6,775,247	5,096,435	47,050	24,663	35,272	321	153,993	1,417,513	7,373	0.02	**147**
140,001 — 150,000	49,986	3.53	0	7,241,301	5,134,420	64,283	30,968	55,586	464	176,523	1,779,057	11,897	0.03	**238**
150,001 — 180,000	138,354	9.77	0	22,877,345	15,041,480	251,655	113,456	274,302	3,077	601,684	6,591,691	62,854	0.16	**454**
180,001 — 210,000	120,549	8.52	1,682	23,470,826	14,422,700	260,623	135,138	362,483	4,648	643,814	7,641,420	99,580	0.26	**826**
210,001 — 240,000	121,023	8.55	7,094	27,278,521	16,562,777	255,474	174,543	476,286	10,206	708,476	9,090,759	149,222	0.39	**1,233**
240,001 — 270,000	103,000	7.28	8,594	26,241,987	15,504,849	231,201	185,103	493,704	11,076	648,090	9,167,964	175,770	0.46	**1,707**
270,001 — 300,000	89,140	6.30	9,613	25,322,134	14,645,834	201,845	189,999	498,326	12,696	577,171	9,196,263	197,693	0.52	**2,218**
300,001 — 400,000	213,354	15.08	29,491	73,837,548	39,369,221	499,409	577,282	1,698,473	48,298	1,513,647	30,131,218	808,988	2.12	**3,792**
400,001 — 500,000	120,202	8.49	15,147	53,576,355	24,079,863	319,630	469,667	1,486,446	40,742	883,982	26,296,025	1,107,209	2.90	**9,211**
500,001 — 600,000	70,936	5.01	7,064	38,745,338	14,532,571	190,316	378,858	1,010,074	31,919	553,832	22,047,768	1,418,193	3.72	**19,993**
600,001 — 700,000	41,178	2.91	3,529	26,590,301	8,484,264	114,692	252,505	661,333	19,678	293,327	16,764,502	1,416,270	3.72	**34,394**
700,001 — 800,000	30,288	2.14	2,116	22,503,893	6,238,158	80,690	218,871	503,206	16,349	231,146	15,215,473	1,515,189	3.98	**50,026**
800,001 — 900,000	19,974	1.41	1,339	16,929,115	4,115,395	52,424	147,777	358,929	8,608	137,540	12,108,442	1,350,029	3.54	**67,589**
900,001 — 1,000,000	15,133	1.07	934	14,306,710	3,142,688	31,190	129,084	279,001	7,541	97,969	10,619,237	1,268,368	3.33	**83,815**
1,000,001 — 1,500,000	40,433	2.86	2,284	48,538,029	8,291,311	78,330	412,389	765,633	17,663	259,447	38,713,256	5,147,341	13.51	**127,305**
1,500,001 — 2,000,000	15,329	1.08	841	26,246,284	3,079,498	23,258	203,109	311,583	4,870	98,784	22,525,182	3,285,530	8.62	**214,334**
2,000,001 — 3,000,000	11,489	0.81	546	27,680,006	2,229,185	13,292	182,083	200,575	3,173	75,320	24,976,378	3,827,983	10.04	**333,187**
3,000,001 — 5,000,000	7,205	0.51	232	27,224,952	1,064,675	5,535	176,688	106,913	1,030	45,308	25,824,803	4,045,549	10.61	**561,492**
5,000,001 — 7,500,000	2,893	0.20	32	17,450,206	186,905	1,639	86,621	38,612	202	17,223	17,119,004	2,691,460	7.06	**930,335**
7,500,001 —10,000,000	1,298	0.09	2	11,090,701	7,270	566	59,672	19,059	149	7,422	10,996,563	1,728,119	4.53	**1,331,371**
10,000,001 & over	2,108	0.15	2	49,510,310	0	645	337,188	23,830	120	12,123	49,136,404	7,792,170	20.45	**3,696,475**
Total	**1,415,508**	**100.00**	**90,542**	**610,997,437**	**216,378,629**	**2,773,715**	**4,523,169**	**9,686,381**	**243,009**	**8,067,941**	**369,324,593**	**38,116,559**	**100.00**	**26,928**

SCHEDULE 6 ANALYSIS OF ALLOWANCES FOR THE YEAR OF ASSESSMENT 2007-08 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	4,236,100	0	0	0	0	0	0	0	0	0	0	0	0	0	**4,236,100**
110,001 — 120,000	5,679,500	0	0	0	0	1,515	0	0	0	0	0	0	0	0	**5,681,015**
120,001 — 130,000	5,226,000	0	0	0	0	6,015	0	0	0	0	0	0	0	0	**5,232,015**
130,001 — 140,000	5,022,000	0	50	13,230	0	44,085	14,940	2,130	0	0	0	0	0	0	**5,096,435**
140,001 — 150,000	4,998,600	0	25	22,800	0	81,165	28,140	3,690	0	0	0	0	0	0	**5,134,420**
150,001 — 180,000	13,835,400	0	242,465	91,230	0	552,855	285,495	26,460	7,275	0	300	0	0	0	**15,041,480**
180,001 — 210,000	11,663,900	782,000	354,900	102,600	40	915,330	527,910	45,600	16,020	0	8,820	1,500	0	4,080	**14,422,700**
210,001 — 240,000	10,396,900	3,410,800	689,852	90,210	925	1,161,000	677,880	55,410	17,640	0	45,540	3,900	1,860	10,860	**16,562,777**
240,001 — 270,000	8,360,600	3,878,800	1,026,905	80,220	38,194	1,232,085	711,885	59,175	19,365	300	74,100	6,720	2,940	13,560	**15,504,849**
270,001 — 300,000	6,743,700	4,340,600	1,341,756	66,390	89,283	1,223,325	651,915	57,225	19,380	3,120	81,180	6,060	4,920	16,980	**14,645,834**
300,001 — 400,000	14,771,600	13,127,600	5,312,201	129,690	286,310	3,477,630	1,690,875	135,030	42,525	13,260	270,720	21,060	32,820	57,900	**39,369,221**
400,001 — 500,000	8,223,400	7,593,600	3,756,638	75,870	181,095	2,575,380	1,182,660	99,585	29,895	11,760	242,940	19,620	36,000	51,420	**24,079,863**
500,001 — 600,000	4,879,100	4,429,000	2,425,601	43,950	112,250	1,627,650	701,445	54,765	16,650	5,580	162,780	11,880	25,500	36,420	**14,532,571**
600,001 — 700,000	2,812,700	2,610,200	1,469,194	25,590	62,590	941,760	381,975	31,935	9,300	3,600	95,100	6,720	14,520	19,080	**8,484,264**
700,001 — 800,000	2,068,200	1,921,200	1,124,998	15,990	42,410	676,605	259,485	22,905	5,625	2,100	67,260	5,100	11,640	14,640	**6,238,158**
800,001 — 900,000	1,316,000	1,362,800	747,095	9,690	30,100	422,010	155,310	13,050	3,420	1,560	36,840	2,640	6,360	8,520	**4,115,395**
900,001 — 1,000,000	990,300	1,046,000	609,378	6,540	21,600	309,075	105,075	9,030	2,610	840	29,280	2,340	4,560	6,060	**3,142,688**
1,000,001 — 1,500,000	2,518,900	3,048,800	1,601,511	14,610	51,730	708,210	230,610	18,570	4,110	2,160	61,380	3,720	13,800	13,200	**8,291,311**
1,500,001 — 2,000,000	890,400	1,285,000	603,123	3,990	17,850	190,785	57,525	6,045	1,440	360	14,280	1,140	3,900	3,660	**3,079,498**
2,000,001 — 3,000,000	578,200	1,024,600	458,190	2,640	13,800	103,080	32,145	3,345	645	360	7,380	540	2,040	2,220	**2,229,185**
3,000,001 — 5,000,000	77,700	649,000	273,100	690	7,200	37,455	12,660	1,620	270	120	2,280	240	1,560	780	**1,064,675**
5,000,001 — 7,500,000	2,500	111,000	66,200	90	500	4,380	1,245	150	60	0	360	60	300	60	**186,905**
7,500,001 —10,000,000	300	2,800	3,250	0	200	450	180	30	0	0	60	0	0	0	**7,270**
10,000,001 & over	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**115,292,000**	**50,623,800**	**22,106,432**	**796,020**	**956,077**	**16,291,845**	**7,709,355**	**645,750**	**196,230**	**45,120**	**1,200,600**	**93,240**	**162,720**	**259,440**	**216,378,629**

SCHEDULE 7 PROPERTY STATISTICS (as at 31 MARCH 2009)

Classification of Properties			No. of Properties	%
(i) Solely owned by individuals (with rental income, if any, reported in Composite Tax Returns)			767,920	34.06
(ii) Jointly owned, owned by tenants-in-common, and solely owned other than by individuals —				
Letting		108,131		
Other usage or vacant		560,373	668,504	29.65
(iii) Owned by corporations and exempted from property tax under the Inland Revenue Ordinance			404,274	17.93
(iv) Home Ownership Scheme or Private Sector Participation Scheme [excluding those reported under items (i) or (ii)]			287,495	12.75
(v) New Ownership — awaiting classification			126,429	5.61
Total			**2,254,622**	**100.00**

Classification of Ownership		No. of Properties	%
Properties owned by :	1 owner	1,365,714	60.57
	2 owners	831,462	36.88
	3 owners	38,500	1.71
	4 owners	9,548	0.42
	5 owners	3,919	0.17
	6 - 10 owners	4,534	0.20
	11 - 20 owners	796	0.04
	Over 20 owners	149	0.01
Total		**2,254,622**	**100.00**

SCHEDULE 8 BUSINESS REGISTRATION STATISTICS

Fiscal Year	2005-06	2006-07	2007-08	2008-09
New registrations	113,497	117,719	130,972	**143,737**
Re-opened registrations	5,065	6,883	8,515	**10,144**
Cancelled registrations	77,725	93,472	85,019	**90,352**
Current registrations as at 31 March	735,169	766,299	820,767	**884,296**
Certificates issued (fee payable cases)	796,126	805,915	856,489	**951,345**
Businesses exempted from payment of fees	17,520	18,977	18,120	**13,737**
Extracts of information issued	251,915	267,255	290,532	**294,368**
	($'000)	($'000)	($'000)	**($'000)**
Fees and penalties collected (excluding levy)	1,478,755	1,497,902	1,565,848	**154,448**
Court fines	7,118	6,344	7,036	**7,831**
Fees and penalties in arrears as at 31 March (excluding levy)	58,068	58,168	72,590	**19,762**

SCHEDULE 9 STAMP DUTY COLLECTIONS

Fiscal Year	2005-06	2006-07	2007-08	2008-09
	($m)	($m)	($m)	**($m)**
Duties on —				
• Assignments and Chargeable Agreements	9,465.5	9,700.1	15,701.6	**10,009.2**
• Contract notes	8,129.4	15,027.1	35,447.0	**21,701.9**
• Leases	241.3	289.3	328.0	**366.9**
• Transfer deeds	4.6	8.7	10.9	**1.7**
• Other documents	10.9	13.8	40.2	**48.3**
Penalties	14.9	37.2	21.3	**33.7**
Additional duties for delays in payment	0.6	0.4	0.1	**0.4**
Total duty collections	**17,867.2**	**25,076.6**	**51,549.1**	**32,162.1**

SCHEDULE 10 STAMP OFFICE ACTIVITIES AND COLLECTIONS

Fiscal Year	2005-06	2006-07	2007-08	2008-09
Average number of callers per day	1,862	1,907	2,204	**1,758**
Number of documents stamped during the year	1,330,737	1,560,524	1,957,358	**1,515,385**
	($m)	($m)	($m)	**($m)**
Contract note duty				
• Collected by Stamp Office	847.7	1,366.0	2,673.2	**2,876.4**
• Collected through Stock Exchange of Hong Kong Limited	7,281.7	13,661.1	32,773.8	**18,825.5**
Total	**8,129.4**	**15,027.1**	**35,447.0**	**21,701.9**

SCHEDULE 11 ESTATE DUTY — DUTY ASSESSED AND COLLECTIONS FOR THE YEAR ENDED 31 MARCH 2009

	Assessments issued before 1 April 2008	Assessments issued in 2008-09						
		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 2007-08	343,417	-	-	-	-	-	-	**343,417**
Less: Amount discharged	5,349	-	-	-	-	-	-	**5,349**
Net outstanding charges brought forward from 2007-08	338,068	-	-	-	-	-	-	**338,068**
Net duty assessed	0	187	0	7,469	39,309	368,912	2,286	**418,163**
Penalties charged	0	78	0	701	1,269	5,405	85	**7,538**
Interest charged	6,193	469	0	2,946	11,280	55,586	1,508	**77,982**
Total amount payable	344,261	734	0	11,116	51,858	429,903	3,879	**841,751**
Less: Amount paid on account before 1 April 2008	0	421	0	6,133	34,607	402,826	991	**444,978**
Net duty, penalties and interest payable in 2008-09	344,261	313	0	4,983	17,251	27,077	2,888	**396,773**
Less: Outstanding charges carried forward to 2009-10	205,741	0	0	3,468	9,908	16,396	2,211	**237,724**
Net duty, penalties and interest paid in 2008-09	138,520	313	0	1,515	7,343	10,681	677	**159,049**
Add: Duty and interest paid on account in respect of assessments to be issued in subsequent years	0	0	0	1,015	4,908	11,001	0	**16,924**
Total collections in 2008-09	**138,520**	**313**	**0**	**2,530**	**12,251**	**21,682**	**677**	**175,973**

SCHEDULE 12 ESTATE DUTY STATISTICS

Fiscal Year	2005-06	2006-07	2007-08	2008-09
Assessment	($'000)	($'000)	($'000)	**($'000)**
Duty assessed	1,061,480	1,634,408	908,803	**418,163**
Penalties and interest	115,458	140,636	204,826	**79,327**
Total	**1,176,938**	**1,775,044**	**1,113,629**	**497,490**

Collection	($'000)	($'000)	($'000)	**($'000)**
Payment before assessment	1,497,399	549,800	129,709	**16,924**
Payment after assessment	178,344	227,871	223,644	**159,049**
Total	**1,675,743**	**777,671**	**353,353**	**175,973**

Arrears	($'000)	($'000)	($'000)	**($'000)**
Arrears as at 31 March	274,402	288,928	343,417	**237,724**

SCHEDULE 13 RACING ATTENDANCE, BETS AND BETTING DUTY COLLECTED

Fiscal Year	2006-07				2007-08		2008-09	
	Day Meeting		Night Meeting		Day Meeting	Night Meeting	Day Meeting	Night Meeting
	Apr-Aug	Sep-Mar	Apr-Aug	Sep-Mar				
Racing Attendances								
Number of race meetings	16	28	11	22	48	31	**46**	**31**
Attendances —								
Public	235,559	523,003	101,064	202,032	859,908	308,777	**782,889**	**318,498**
Members'Stand	12,383	16,346	3,959	7,957	26,972	11,311	**20,845**	**10,769**
Infield Enclosure	0	0	0	0	0	0	**0**	**0**
Total	247,942	539,349	105,023	209,989	886,880	320,088	**803,734**	**329,267**
Average per meeting	15,496	19,262	9,548	9,545	18,477	10,325	**17,472**	**10,622**
Pari-mutuel bets	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)	**($'000)**	**($'000)**
Win, Place, Double, Quinella,Quinella Place: cashbet	4,439,594		2,479,188					
accountbet	6,399,033		3,494,321					
overseas #	171,701		106,552					
Six-up: cashbet	46,010		33,672					
accountbet	52,431		36,411					
Treble: cashbet	24,171		14,836					
accountbet	38,141		22,775					
Tierce: cashbet	339,677		157,661					
accountbet	615,818		314,919					
Trio: cashbet	247,007		134,851					
accountbet	392,871		218,397					
Double Trio: cashbet	52,794		36,380					
accountbet	64,533		44,605					
Triple Trio: cashbet	114,015		57,684					
accountbet	113,146		56,713					
Total Bets/Net Stake Receipt ^	13,110,942	4,264,206	7,208,965	2,687,224	7,608,734	3,871,371	**7,285,924**	**3,907,890**
	1,731,060	3,081,855	948,995	1,941,519	5,498,628	2,797,212	**5,265,509**	**2,823,639**
Top-up amount*					119,082			
Duty collected from Horse Racing	4,812,915		2,890,514		8,414,922		**8,089,148****	
Lotteries				($'000)		($'000)		**($'000)**
Lottery ticket sales				6,189,653		6,744,197		**6,341,294**
Duty collected from Lotteries				1,547,413		1,686,049		**1,585,324**
Football Betting				($'000)		($'000)		**($'000)**
Net stake receipts				5,593,033		5,894,903		**5,891,634****
Duty collected from Football Betting				2,796,517		2,947,452		**2,945,817****
				($'000)		($'000)		**($'000)**
Total duty collected				12,047,359		13,048,423		**12,620,289**

		2008-09
	($'000/Rate)	**($'000)**
Duty collected on —		
Horse Racing:		**8,089,148
Lotteries:	(6,341,294 @ 25%)	**1,585,324**
Football Betting:	(5,891,634 @ 50%)	**2,945,817
Total duty collected		**12,620,289**

Note: # Duty on overseas bets from Macau was charged with effect from 30 January 2005.
** The HKJC paid the top-up amount in September 2007 for the racing year of 2006-07.*
^ Duty on horse racing was charged on net stake receipts with effect from September 2006.
*** Provisional payment.*

SCHEDULE 14 HOTEL ACCOMMODATION TAX

Fiscal Year	2005-06	2006-07	2007-08	2008-09*
Hotels				
Room occupancy (No. of room-days)	11,960,469	12,932,326	14,314,885	**7,532,809**
Room occupancy rate (%)	83.6	85.5	84.3	**82.9**
Average room charge ($)	844	961	1,007	**1,036**
Tax assessed ($m)	303.8	378.4	436.8	**241.9**
Guesthouses				
Room occupancy (No. of room-days)	683,472	824,857	820,537	**397,844**
Room occupancy rate (%)	112.8	135.3	109.8	**107.6**
Average room charge ($)	242	224	280	**285**
Tax assessed ($m)	5.1	6.1	7.2	**3.5**
	($m)	($m)	($m)	**($m)**
Total tax assessed	308.9	384.5	444.0	**245.4**
Total tax collected	310.0	384.2	450.4	**222.9**

* *Up to 30 June 2008*

SCHEDULE 15 TAX RESERVE CERTIFICATES

Fiscal Year	Sales		Redemption		
	Number of Certificates	Value	Number of Certificates	Value	Interest
2005-06		($'000)		($'000)	($'000)
Normal (to save for tax)					
• Paper certificate	16	708	131	1,318	111
• Save-As-You-Earn Scheme	52,246	95,394	52,229	98,584	347
• Electronic Tax Reserve Certificates Scheme	35,674	191,146	35,699	197,444	513
Objections/Appeals	1,377	3,769,313	855	2,387,118	27,393
Total	**89,313**	**4,056,561**	**88,914**	**2,684,464**	**28,364**
2006-07		($'000)		($'000)	($'000)
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**
2007-08		($'000)		($'000)	($'000)
Normal (to save for tax)					
• Paper certificate	7	389	46	725	70
• Save-As-You-Earn Scheme	50,727	88,558	36,629	72,483	909
• Electronic Tax Reserve Certificates Scheme	36,115	215,840	29,992	207,864	2,041
Objections/Appeals	1,503	3,143,224	1,179	2,160,054	70,581
Total	**88,352**	**3,448,011**	**67,846**	**2,441,126**	**73,601**
2008-09		**($'000)**		**($'000)**	**($'000)**
Normal (to save for tax)					
• Paper certificate	**5**	**101**	**14**	**541**	**100**
• Save-As-You-Earn Scheme	**48,158**	**80,421**	**35,348**	**66,135**	**769**
• Electronic Tax Reserve Certificates Scheme	**35,752**	**200,659**	**29,858**	**180,137**	**1,375**
Objections/Appeals	**1,371**	**2,597,533**	**1,328**	**2,756,227**	**54,970**
Total	**85,286**	**2,878,714**	**66,548**	**3,003,040**	**57,214**

SCHEDULE 16 EARNINGS AND PROFITS TAX — OFFENCES COMMITTED AND COURT FINES IMPOSED

2008-09

	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)]		Failure to comply with the requirement of section 51(2) to notify the chargeability [section 80(2)(e)]			
	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	No. of Convictions	Amount of Fines
		($)		($)		($)		($)		($)		**($)**
Profits Tax												
• Corporations	6,508	14,295,600	1,512	7,337,200	0	0	0	0	0	0	**8,020**	**21,632,800**
• Unincorporated Businesses	310	601,000	43	195,800	0	0	0	0	0	0	**353**	**796,800**
Salaries Tax												
• Employees	1,338	2,713,300	114	587,900	8	0	2	54,650	0	0	**1,462**	**3,355,850**
• Employers	533	1,232,200	128	676,100	0	0	0	0	-	-	**661**	**1,908,300**
Property Tax												
• Individuals	19	35,200	0	0	0	0	0	0	0	0	**19**	**35,200**
Total	**8,708**	**18,877,300**	**1,797**	**8,797,000**	**8**	**0**	**2**	**54,650**	0	**0**	10,515	27,728,950

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 2009 is 13,699

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

2008-09

	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	12,657	5,888,532	137,564	102,357,983	9,643	150,273,644	5,268	13,941,752	12,091	7,668,312	**177,223**	**280,130,223**
Compound Penalties for offences under the Inland Revenue Ordinance												
• section 51(4B)*	0	0	1	(1,900)	4	10,000	0	0	0	0	**5**	**8,100**
• section 80(1)	1	18,000	714	2,636,990	35	1,872,000	85	5,350,000	2	40,000	**837**	**9,916,990**
• section 80(2)	526	3,716,553	6,366	103,447,734	7,541	374,896,084	1,467	121,854,479	56	989,537	**15,956**	**604,904,387**
• section 82(1)	6	374,000	23	20,585,500	28	22,846,400	31	39,038,030	2	51,000	**90**	**82,894,930**
• section 82(2)	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Additional Tax imposed under section 82A of the Inland Revenue Ordinance	66	178,900	219	3,455,840	556	132,955,492	158	9,982,244	10	17,240	**1,009**	**146,589,716**
Costs awarded by the Board of Review	0	0	1	5,000	4	20,000	0	0	0	0	**5**	**25,000**
Total	**13,256**	**10,175,985**	**144,888**	**232,487,147**	**17,811**	**682,873,620**	**7,009**	**190,166,505**	**12,161**	**8,766,089**	**195,125**	**1,124,469,346**

** Including penalties imposed by the Court*

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