

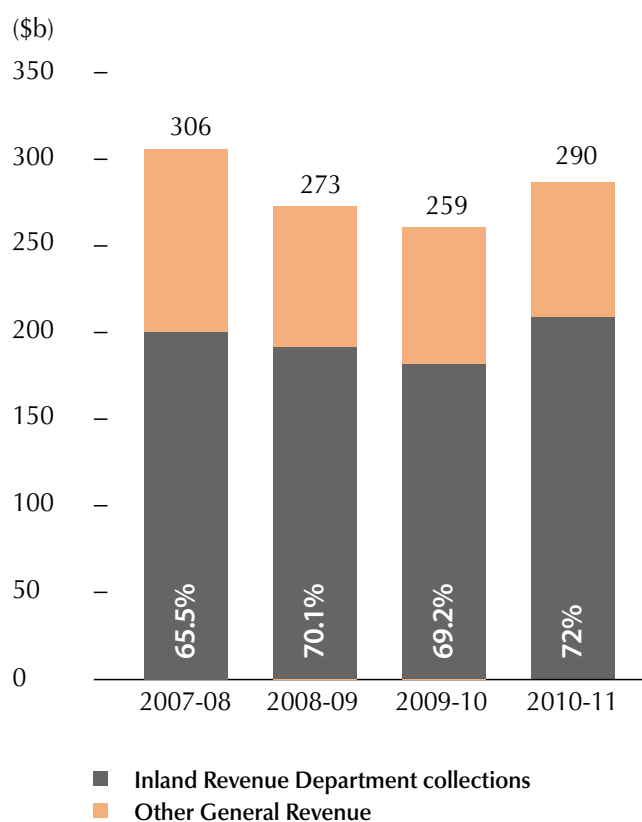
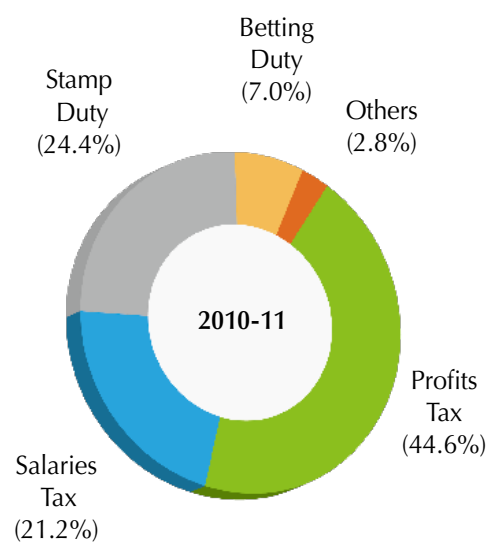
# Revenue

The Hong Kong economy staged a full recovery in 2010-11 and the earnings and profits tax collection reached \$143 billion, an increase of \$19.8 billion or 16.1% from the previous year. The bullish stock market and property market brought in stamp duty revenue of \$51 billion, a year-on-year growth of 20.3%. Overall, the total revenue collected by IRD in the year climbed to \$209 billion, \$29.9 billion or 16.7% above the last year's (Figure 1, Schedules 1 and 2).

**Figure 1 Revenue collected by tax type**

Type of tax	2007-08 (\$m)	2008-09 (\$m)	2009-10 (\$m)	2010-11 (\$m)
Profits tax -				
Corporations	86,775.6	99,294.4	72,224.3	<b>88,191.4</b>
Unincorporated businesses	4,647.1	4,857.1	4,381.1	<b>4,991.7</b>
Salaries tax	37,479.5	39,007.9	41,245.4	<b>44,254.7</b>
Property tax	1,240.6	832.5	1,677.6	<b>1,647.1</b>
Personal assessment	3,586.6	2,151.1	3,655.8	<b>3,921.8</b>
<b>Total earnings &amp; profits tax</b>	<b>133,729.4</b>	<b>146,143.0</b>	<b>123,184.2</b>	<b>143,006.7</b>
Estate duty	353.4	176.0	185.1	<b>212.8</b>
Stamp duty	51,549.1	32,162.1	42,382.6	<b>51,005.1</b>
Betting duty	13,048.4	12,620.3	12,767.1	<b>14,759.1</b>
Business registration fees	1,565.8	154.4	578.7	<b>35.7</b>
Hotel accommodation tax (Tax rate reduced to 0% from 1 July 2008)	450.4	222.9	0.0	<b>0.0</b>
<b>Total revenue collected</b>	<b><u>200,696.5</u></b>	<b><u>191,478.7</u></b>	<b><u>179,097.7</u></b>	<b><u>209,019.4</u></b>
<b>% change over previous year</b>	<b>29.4%</b>	<b>-4.6%</b>	<b>-6.5%</b>	<b>16.7%</b>

The revenue collected by the Department during 2010-11 accounted for 72% of the Government General Revenue (Figure 2). Profits tax contributed the largest part of the total revenue collected, followed by stamp duty. Together they made up 69% of the total revenue collected (Figure 3).

**Figure 2 Government General Revenue****Figure 3 Composition of the revenue collection**

With a rise in revenue collections during the year, the cost of collection of revenue dropped from 0.65% to 0.56% (Figure 4).

**Figure 4 Cost of collection**