

**CONTROLLING OFFICER'S REPLY**

**(Question Serial No. 1343)**

Head: (76) Inland Revenue Department  
Subhead (No. & title): ()  
Programme: (2) Collection  
Controlling Officer: Commissioner of Inland Revenue (TAM Tai Pang)  
Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- A) Will the Government advise by types of tax on the tax payment methods (e.g. by cash/by cheque/by internet bank transfer/at post offices, etc.) and the transaction cost of each payment received through such methods over the past three years.
- B) Regarding all types of taxes collected over the past three years, please provide the number of cases of overpayment of tax in excess of the amount demanded, and among which, the number of cases required refunds of tax, the average amount of tax refunded and the average administrative cost for processing each refund of tax. In order to save the administrative work and cost for processing cases of overpayment, will it be feasible to have the overpaid amounts carried forward to the next financial year or to refund such amounts by way of tax reserve certificates?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 33)

Reply:

- A) Taxpayers can pay earnings and profits tax by electronic and non-electronic means, but the Inland Revenue Department (IRD) does not keep separate statistics on how tax is paid by tax type. During the past three financial years, the numbers of payments by electronic and non-electronic means for earnings and profits tax (Note), and the average administrative cost per payment transaction processed by the IRD are tabulated below. The IRD does not keep separate statistics on expenditure for different payment methods.

Financial Year	2017-18	2018-19	2019-20
By electronic payment means	1 840 000	1 880 000	1 810 000
By non-electronic payment means	1 490 000	1 510 000	860 000
Average administrative cost per tax payment transaction	\$9.1	\$9.2	\$12.6

Note: Rounded to the nearest ten thousand.

B) In accordance with section 79 of the Inland Revenue Ordinance (Cap. 112), the IRD is required to refund tax paid in excess to taxpayers. The numbers of refund cases (Note), the average amount of refund and the average administrative cost per refund case for the financial years from 2017-18 to 2019-20 are tabulated below:

Financial year	2017-18	2018-19	2019-20
Profits Tax - No. of cases (Average amount)	49 300 (\$185,600)	60 600 (\$153,600)	59 600 (\$170,500)
Salaries Tax - No. of cases (Average amount)	501 100 (\$9,100)	616 200 (\$8,900)	536 800 (\$9,000)
Profits Tax - No. of cases (Average amount)	16 000 (\$10,200)	20 700 (\$11,700)	15 400 (\$11,000)
Personal Assessment - No. of cases (Average amount)	26 500 (\$14,600)	36 600 (\$14,800)	26 900 (\$17,500)
Average administrative cost per refund case	\$19.8	\$16.5	\$18.7

Note: Rounded to the nearest hundred.

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