

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

FSTB(Tsy)096

Question Serial No.

1319

Head: 76 Inland Revenue Department

Subhead (No. & title): 000 Operating Expenses

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What factors account for the 34.4% increase in the General Department Expenses from \$144,086,000 for the Revised Estimate of 2011-12 to \$193,649,000 for the 2012-13 Estimate?

Asked by: Hon.CHAN Mo-po, Paul

Reply:

The General Departmental Expenses of the Inland Revenue Department (IRD) comprise mainly expenditures on printing service, postage, company and land search services, bank charge, computer-related expenses, fees for hiring services, professionals and temporary staff, expenditures for procurement of stores and equipment and other general administration expenses.

The anticipated increase in the General Departmental Expenses from \$144,086,000 for the Revised Estimate of the 2011-12 financial year to \$193,649,000 for the Estimate of the 2012-13 financial year is mainly attributable to the additional operating costs required to cope with the growing operational needs and increasing workload. The items that require additional provisions include printing service, procurement of office equipment, bank charge for tax assessment purpose, maintenance charge for existing and new equipment/services and information technology (IT) equipment and software, and employment of more contract IT staff to support the IRD's computer systems following the launch of new electronic services, including the new e-filing service for employer's return and the one-stop company and business registration service.

Signature: _____

Name in block letters: CHU Yam-yuen

Post Title: Commissioner of Inland Revenue

Date: 29.2.2012