

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION****FSTB(Tsy)102**

Question Serial No.

0807

Head: 76 Inland Revenue DepartmentSubhead (No. & title):Programme: (1) Assessing Functions (2) CollectionControlling Officer: Commissioner of Inland RevenueDirector of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the services concerning electronic filing of tax returns and electronic payment of tax, please provide information for the past 3 years in relation to:

- (a) the numbers of the eTax accounts and the growth rate;
- (b) the numbers and percentage shares of the employees and employers filing tax returns electronically;
- (c) the numbers of persons paying tax electronically and the amounts involved; and
- (d) whether there were any strategies for promoting electronic filing and tax payment, and the expenditure involved.

Asked by: Hon. WONG Kwok-kinReply:

- (a) The numbers of eTax accounts and their growth rates for the past 3 financial years are as follows:

	No. of eTax accounts	Annual growth rate
As at 31 March 2010	286 000	31%
As at 31 March 2011	342 000	19%
As at 31 January 2012	404 000	18%

- (b) The numbers of employers' returns on employees' remuneration submitted electronically in the form of diskettes or CD-ROMs as well as the percentage shares of electronic returns to all such returns filed in the past 3 financial years are as follows:

Financial Year	No. of employers	Percentage shares
2009-10	49 600	14%
2010-11	48 600	14%
2011-12 (as at 31.1.2012)	47 300	17%

Besides, effective from August 2011, employers can file via internet notifications of employees' commencement / cessation of employment / leaving Hong Kong [Forms IR56E/F/G]. As at 31 January 2012, the Inland Revenue Department (IRD) received 1 658 such notifications submitted electronically, representing about 0.5% of the total number of the above-mentioned employers' notifications.

The eTAX of IRD provides a wide range of electronic services to individual taxpayers. Employees, sole proprietors and the sole owners of properties can all make use of the eTax services to submit their tax returns electronically. IRD does not have statistical breakdown on the number of employees filing tax returns through eTAX. Hence, the relevant information cannot be provided.

- (c) The numbers of electronic payments for “earnings and profits tax” and the amounts involved for the past 3 financial years are as follows:

Financial Year	No. of payments	Amount involved (\$million)
2009-10	1 400 000	27,500
2010-11	1 470 000	29,200
2011-12 (as at 31.1.2012)	1 380 000	31,000

IRD does not have statistics on the number of persons paying tax by electronic means.

- (d) IRD will continue to promote electronic filing and tax payment services in the 2012-13 financial year. IRD will launch a series of promotional activities, including seminars, posters, publicity leaflets, newspaper advertisements, electronic media advertisements, Internet publicity, roving exhibitions, promotional messages as well as e-mails to civil servants and other organizations. Before the normal due dates for salaries tax demand notes (i.e. December 2012 and March 2013), IRD will post notices in Chinese and English newspapers to remind taxpayers to pay tax on time and encourage them to pay tax by electronic means. The estimated expenditure for this exercise is about \$600,000.

Signature: _____

Name in block letters: CHU Yam-yuen

Post Title: Commissioner of Inland Revenue

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