

立法會

Legislative Council

LC Paper No. LS 78/00-01

Paper for the House Committee Meeting of the Legislative Council on 27 April 2001

Legal Service Division Report on Revenue Bill 2001

Object of the Bill

To give effect to certain revenue proposals in the Budget for the financial year commencing on 1 April 2001.

LegCo Brief Reference

2. FIN CR 3/7/2201/00 issued by the Finance Bureau on 4 April 2001.

Date of First Reading

3. 25 April 2001.

Comments

4. The Bill was set out in the Schedule to the Public Revenue Protection (Revenue) Order 2001 (L.N. 61 of 2001) ("the Order"). The Order has come into force at 2.30 p.m. on 7 March 2001, the day on which the Financial Secretary delivered the Budget Speech when moving the Second Reading of the Appropriation Bill 2001. Members may refer to our report on the Order for the House Committee meeting on 16 March 2001 (LC Paper No. LS 72/00-01 refers). For easy reference, the table attached to that Report is reproduced at the **Annex A**. It sets out the legal effect of the Bill and the corresponding parts of the Budget Speech to which the proposals are referred.

5. By virtue of Clause 1(2) of the Bill, the provisions are deemed to have come into operation at 2.30 p.m. on 7 March 2001. Clauses 4 and 7 of the Bill are saving clauses, such that :

- (a) the increase of fees for renewal of a full driving licence or driving instructor's licence does not have effect if the licence expires on or before 6 July 2001 and the Commissioner for Transport ("the Commissioner") receives on or before that date an application for the renewal of the licence;

- (b) the increase of licence fees does not have effect with respect to the licensing for a further period if the vehicle licence expires on or before 6 July 2001 and the Commissioner receives on or before that date an application to license the vehicle for that further period.

6. Clause 5 of the Bill seeks to define the meaning of "appropriate annual licence fee" in the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg.) for the calculation of the additional fee where an application to license a motor vehicle is received by the Commissioner after the expiry of the previous licence (new Regulation 21(13)(b)). Regulation 21(7) of the Regulations prescribes that an additional fee of 0.33% of the appropriate annual licence fee for each day of the unlicensed period since the expiry of the previous licence be charged.

7. In the new Regulation 21(13)(b), where the Commissioner receives after 6 July 2001 an application to license a motor vehicle, it is proposed that different appropriate annual licence fees be prescribed for an unlicensed period before and after 2:30 p.m. on 7 March 2001. In practice, the Administration is prepared to calculate the additional fee payable for the whole day of 7 March 2001 on the basis of the fees prior to amendment and will consider moving a Committee Stage amendment to the Bill to this effect. A copy of the Administration's explanation is at **Annex B**.

Public Consultation

8. No public consultation has been carried out.

Consultation with the LegCo Panel

9. No consultation with any LegCo Panel has been carried out.

Conclusion

10. A further report will be issued after we receive the draft Committee Stage amendment referred to in paragraph 7 above.

Encl

Prepared by

Wong Sze-man, Bernice
Assistant Legal Adviser
Legislative Council Secretariat
11 April 2001

Revenue Bill 2001

Clauses of the Bill in Schedule to the Order	Paragraphs in the 2001-2002 Budget Speech	Legal Effect
Clause 2 (a)	Paragraphs 110 to 112	The Dutiable Commodities Ordinance (Cap. 109) would be amended to increase from 30% to 40% the duty rate on liquors, other than wine, with an alcoholic strength of not more than 30% by volume.
Clause 2(b)	Paragraphs 108 and 109	The Dutiable Commodities Ordinance (Cap. 109) would be amended to increase duty on tobacco by 5%.
Clause 3	Paragraphs 113 to 115	The Road Traffic (Driving Licences) Regulations (Cap. 374 sub. leg.) would be amended to increase the fees for the issue or renewal of full driving licence, driving instructor's licence, learner's driving licence, temporary driving licence, duplicate licence, international driving permit and duplicate international driving licence by 10%.*

* Note the effect of the saving clause.

Clauses of the Bill in Schedule to the Order	Paragraphs in the 2001-2002 Budget Speech	Legal Effect
Clauses 5 and 6	Paragraphs 113 to 115	The Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg.) would be amended to increase the licence fees for private cars, motor cycles and motor tricycles by 10%,* and to clarify the meaning of "appropriate annual licence fee" for calculation of the additional fee for the unlicensed period where the application is received after the expiry of a vehicle licence.

* Note the effect of the saving clause.

Fax No. : 2868 5279
Tel No. : 2810 2229
Our Ref. : FIN CR 5/7/2201/00
Your Ref. : LS/S/20/00-01

10 April 2001

Ms Bernice Wong
Assistant Legal Adviser
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Bernice,

**Public Revenue Protection (Revenue) Order 2001
(L.N. 61 of 2001)**

I refer to your letter of 9 March 2001 requesting clarification on the effect of clause 5 of the Revenue Bill 2001 attached to the above Order.

The calculation of additional fee is set out in Regulation 21(7) of the Road Traffic (Registration and Licensing of Vehicles) Regulations which states that “an additional fee of 0.33% of the appropriate annual fee for each day of the unlicensed period since the previous licence expired” will be charged. Strictly speaking, under clause 5 of the Revenue Bill 2001, two different appropriate annual licence fees should be applied to the unlicensed periods *before* and *after* 2.30 p.m. on 7 March 2001. For the period before 2.30 p.m., the additional fee will be computed on the basis of the old rate (the pre-amended Schedule 2 fees). As for the period after 2.30 p.m. on the same day, the additional fee will be calculated on the basis of the proposed new rate. In other words, the aggregate additional fee for 7 March 2001 should be composed of two component fees computed on a fraction of a day.

As it has long been the Transport Department's established administrative practice to calculate additional fee for unlicensed period by exact number of days, rather than by fraction of a day, we have therefore decided to follow the Department's established practice in order to avoid unnecessary confusion. In other words, the Department will, in practice, apply the old rate (i.e. the pre-amended Schedule 2 fees) for the whole day of 7 March, instead of applying two different rates to two portions of the same day (before and after 2:30 p.m.).

In giving the concession, we have also considered that the period of the day beginning at or after 2.30 p.m. is much shorter than that between 12.00 a.m. and 2.29 p.m. in respect of which the old rate applies and that the computation of the fee in respect of 7 March 2001 on a strict pro-rata basis by reference to the two different rates may not be cost-effective.

My apologies for not being able to revert earlier.

Yours sincerely,

(Miss Maisie Chan)
for Secretary for the Treasury

c.c.	Law Draftsman	(Attn: Mr K F Cheng)
	D of J	(Attn: Mr Benedict Lai)
	C for T	(Attn: Mrs Mary Ma)