

傳真號碼 Fax No. : 2868 5279
電話號碼 Tel. No. : 2810 2400
本函檔號 Our Ref. : FIN CR 6/7/2201/01
來函檔號 Your Ref. : CB1/BC/8/01

18 May 2002

Ms Connie Szeto
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central

Dear Ms Szeto,

**Bills Committee on Revenue Bill 2002 and Revenue (No.2) Bill 2002
Follow-up to meeting on 16 May 2002**

Thank you for your letter of 17 May.

On paragraph 1(a) and (b) of your letter, I attach information on the duty-paid quantity, duty collected and changes in duty rate in respect of the liquors listed in Schedule 1 to the Dutiable Commodities Ordinance and beers for the period 1992 to 2001.

As regards paragraph 1(c) of your letter, the Inland Revenue Department (IRD) has advised that wine-related businesses are grouped under “Distribution” and “Hotels, Restaurants and Amusement Centres” categories. Profits tax contributions from these categories in the years of assessment starting 1995/96 are as follows: -

Year of assessment	1995/96	1996/97	1997/98	1998/99	1999/2000
Profits tax from ‘Distribution’ sector	8,354 m	9,031 m	8,088 m	6,392 m	7,795 m
Profits tax from “Hotels, Restaurants and Amusement Centres” sector	1,019 m	1,253 m	1,013 m	664 m	643 m

The profits tax contributions from wine-related businesses alone cannot be identified from the database of IRD. A restaurant usually serves various food and liquors in addition to wine. A liquor seller usually sells different kinds of liquors. Businesses are not, however, required to provide itemized breakdown on the profits derived from each type of commodity sold. As such, it is not possible to assess the impact of changes in a particular liquor duty on profits tax revenue that stems from liquor.

As agreed at the meeting, the Administration is preparing a note in response to the questions on duty assessment based on invoice price or prevailing market price raised by a Member. We are also trying to collect information on the retail prices of wine in places outside Hong Kong. We aim to provide these outstanding information before the next Bills Committee meeting on 23 May.

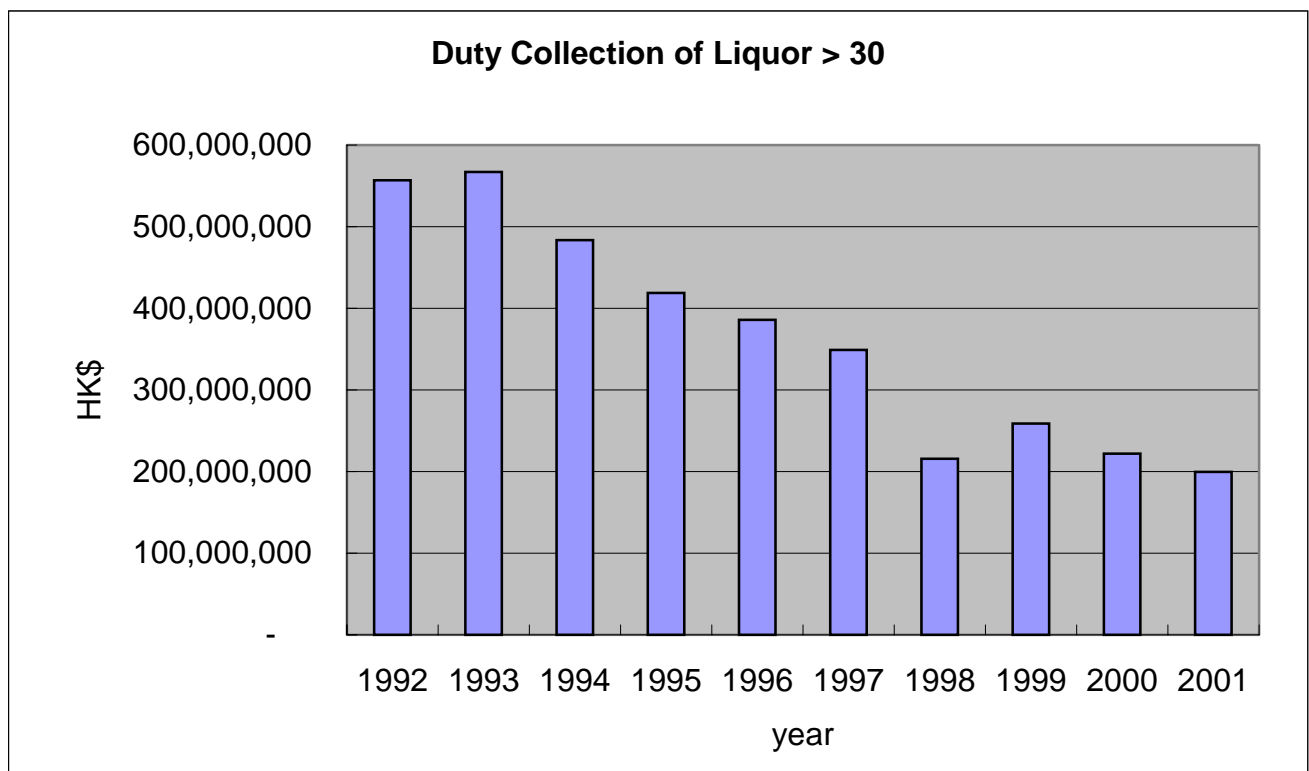
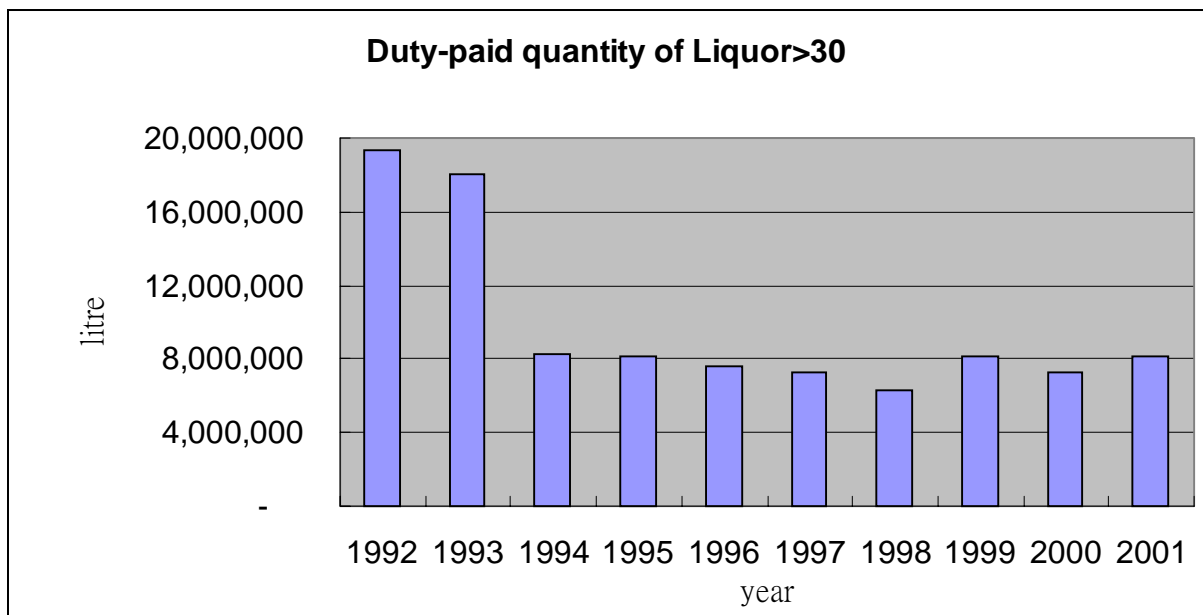
Yours sincerely,

(Edward Mak)
for Secretary for the Treasury

c.c. Commissioner of Customs and Excise (Attn: Mr Simon Wong) w/e
Law Draftsman (Attn: Miss Miranda Ng) w/e

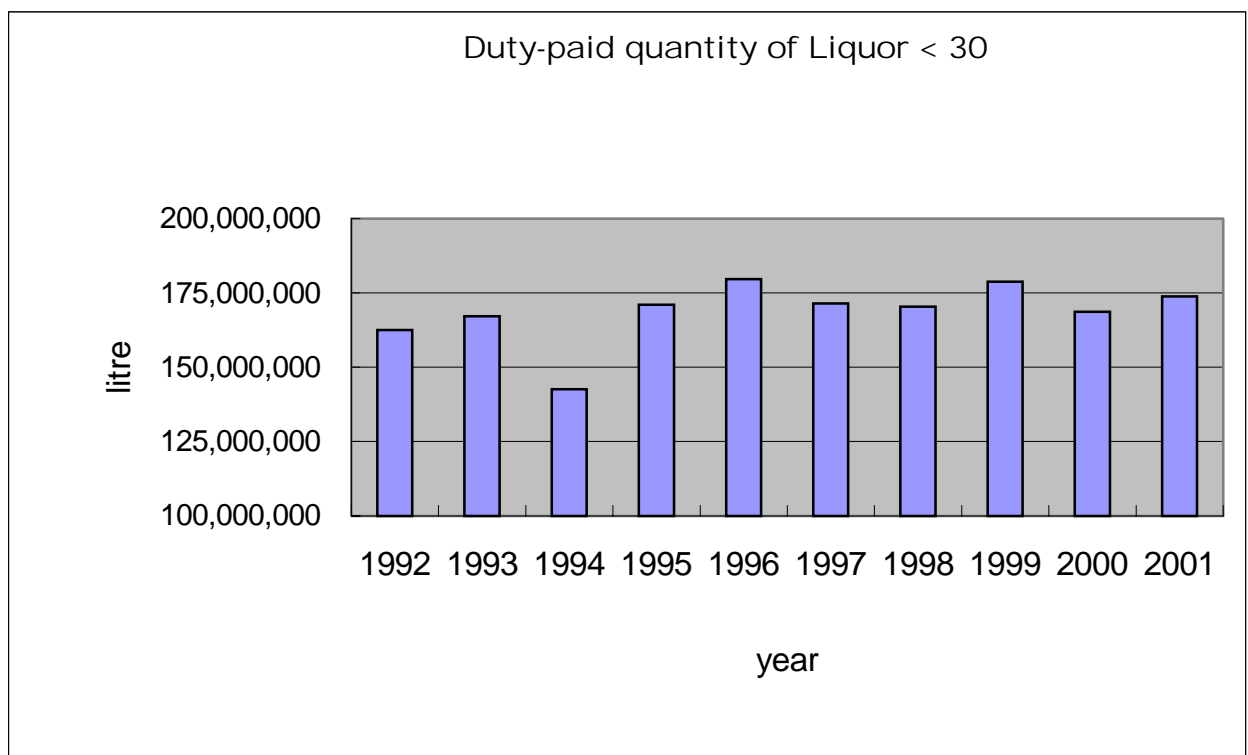
I. Statistics on Duty Collection and Duty-paid quantity of Liquor > 30

	Duty-paid Quantity (litre)	Duty Collection (HK\$)	Duty/Litre
1992	19,318,937	556,949,752	28.83
1993	18,095,017	567,158,078	31.34
1994	8,211,181	483,513,765	58.88
1995	8,103,178	418,981,474	51.71
1996	7,645,930	386,076,299	50.49
1997	7,255,298	348,945,941	48.10
1998	6,272,565	215,673,457	34.38
1999	8,141,857	258,725,514	31.78
2000	7,326,138	221,901,553	30.29
2001	8,152,930	199,667,416	24.49



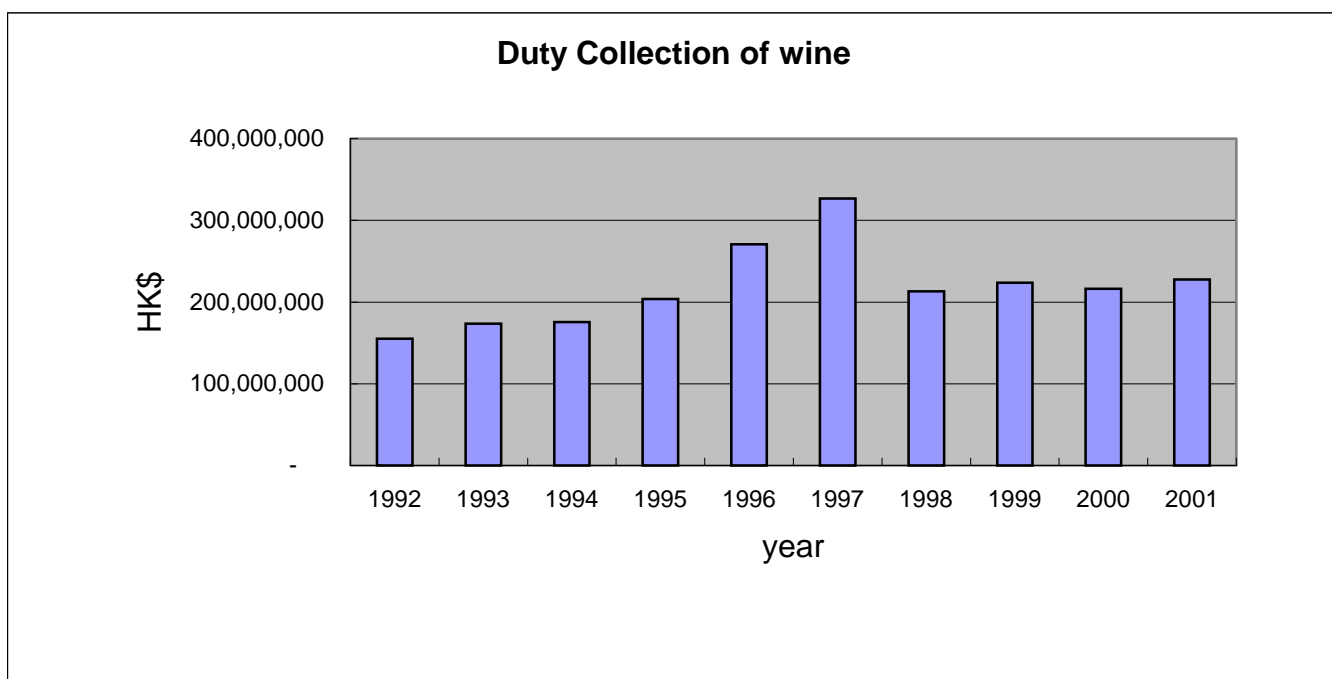
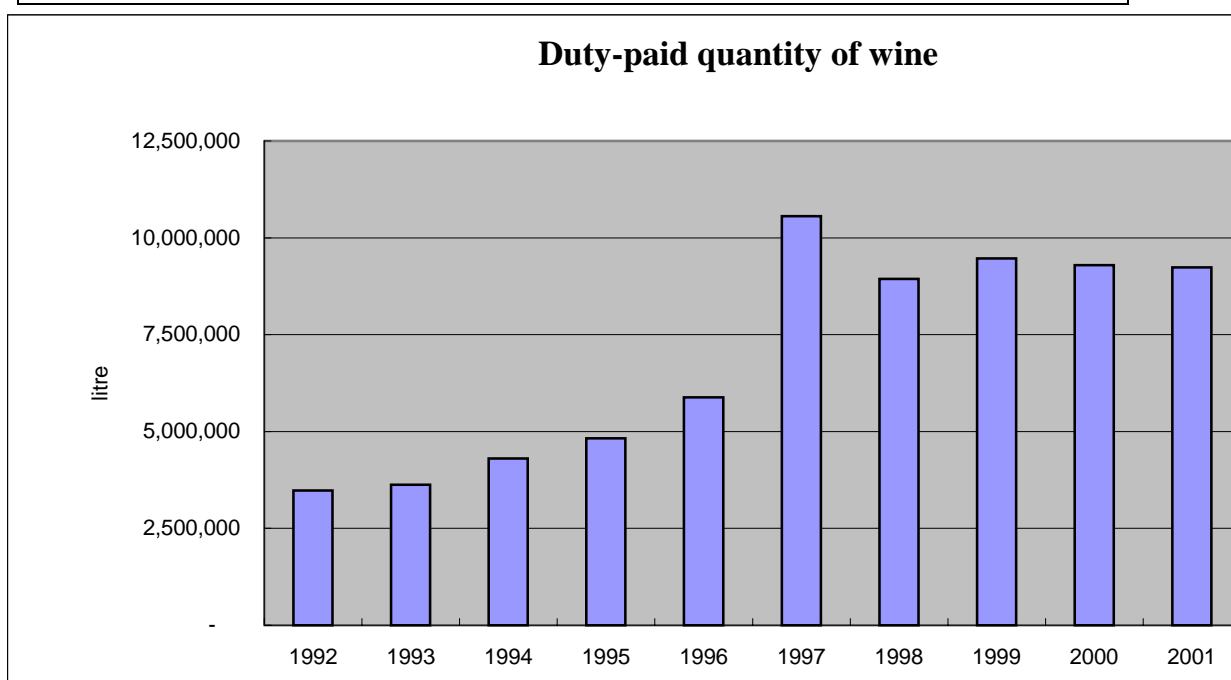
II. Statistics on Duty Collection and Duty-paid quantity of Liquor < 30

	<u>Duty-paid Quantity (litre)</u>	<u>Duty Collection (HK\$)</u>	<u>Duty/litre</u>
1992	162,514,500	488,299,483	3.00
1993	167,159,100	549,031,957	3.28
1994	142,618,129	399,095,407	2.80
1995	171,033,410	353,023,636	2.06
1996	179,704,421	380,357,281	2.12
1997	171,502,459	381,657,626	2.23
1998	170,376,829	364,387,316	2.14
1999	178,851,082	331,836,079	1.86
2000	168,759,010	289,164,027	1.71
2001	173,924,440	355,266,499	2.04



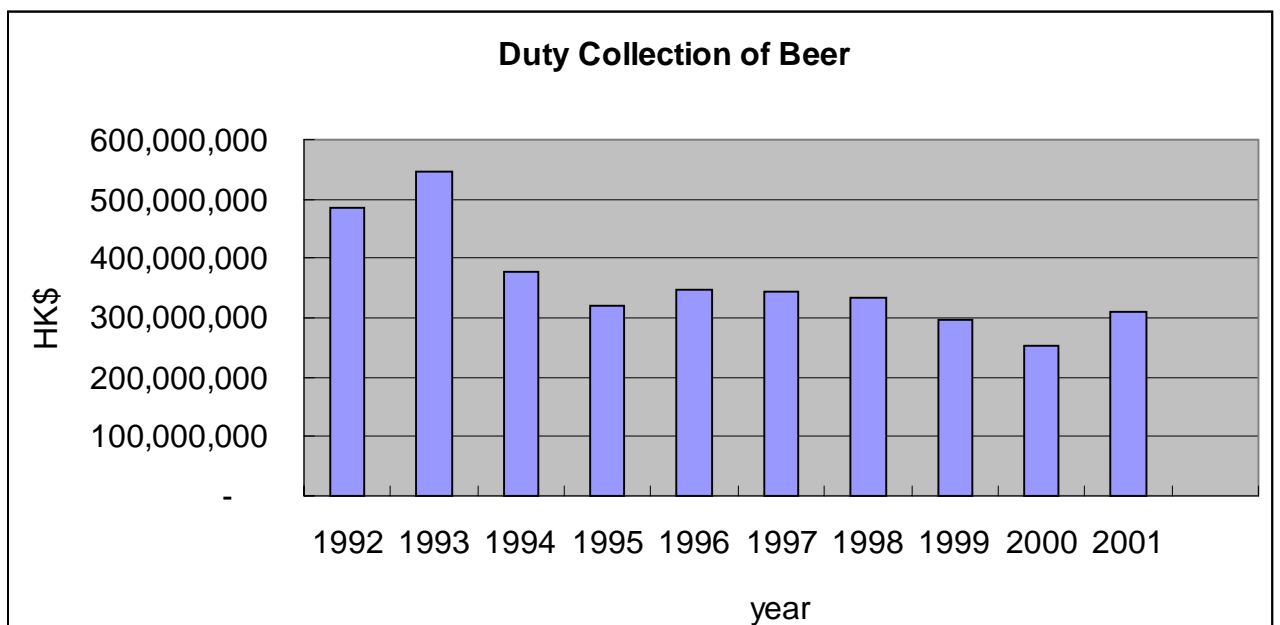
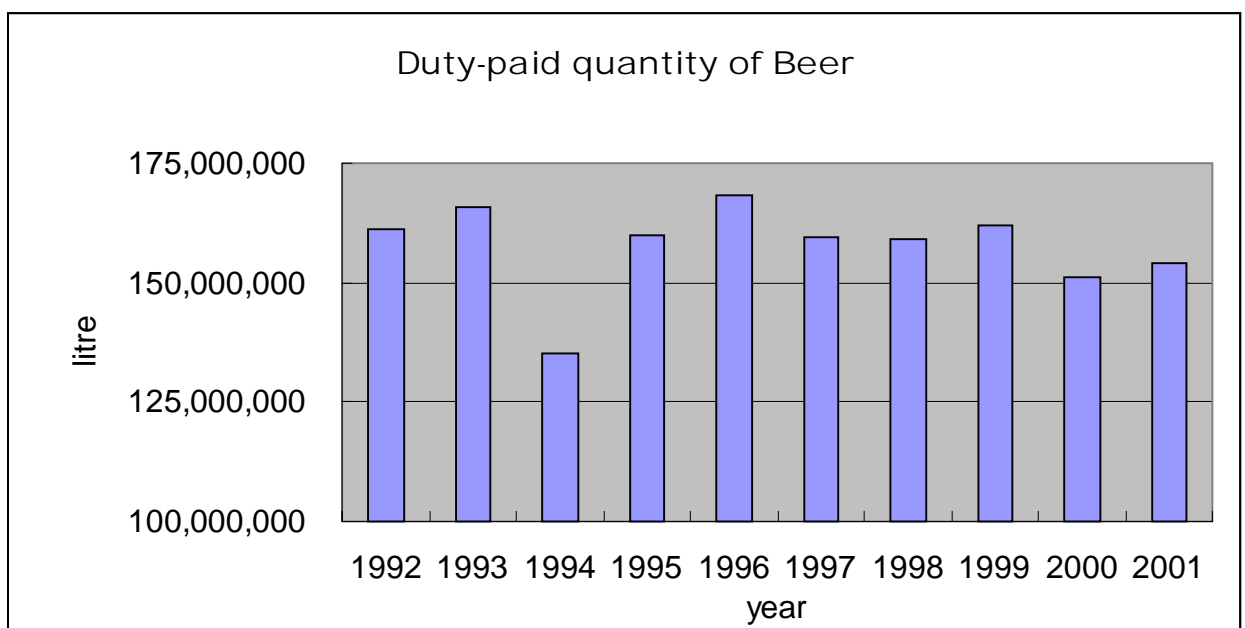
III. Statistics on Duty Collection and Duty-paid quantity of Wine

	<u>Duty-paid quantity (litre)</u>	<u>Duty Collection (HK\$)</u>	<u>Duty/litre</u>
1992	3,480,045	155,298,073	44.63
1993	3,627,167	173,509,847	47.84
1994	4,308,449	175,612,441	40.76
1995	4,828,548	203,784,845	42.20
1996	5,880,875	270,606,771	46.01
1997	10,562,621	326,858,853	30.94
1998	8,938,143	213,008,882	23.83
1999	9,467,812	223,587,258	23.62
2000	9,291,167	216,169,374	23.27
2001	9,239,676	227,660,569	24.64



IV. Statistics on Duty collection and Duty-paid quantity of Beer

	Duty-paid Quantity (litre)	Duty Collection (HK\$)	Duty/litre
1992	161,299,600	485,875,524	3.01
1993	165,883,200	546,254,531	3.29
1994	135,279,964	378,360,405	2.80
1995	159,707,300	320,425,135	2.01
1996	168,233,300	346,798,682	2.06
1997	159,386,100	344,887,164	2.16
1998	159,084,400	333,339,700	2.10
1999	161,805,000	297,642,791	1.84
2000	151,256,400	252,008,447	1.67
2001	154,094,200	308,475,342	2.00



Change of duty rate of alcoholic beverages and wine

	Mixture of specific and ad valorem duty structure					Simple ad valorem duty structure		
	92-93		93-94			94/95 to 96/97	97/98 to 00/01	01/02
	Specific Rate (\$/Litre)	AV rate (%)	Specific Rate (\$/Litre)	AV rate (%)		AV rate (%)	AV rate (%)	AV rate (%)
Brandy, Liqueurs, Whisky, Gin, Rum, Vodka and other spirituous liquors	\$73	35%	\$80	35%	Liquor with an alcoholic strength of more than 30% by volume measured at a temperature of 20°C	100%	100%	100%
Champagne and other sparkling wines	\$45	35%	\$49	35%				
Still wines	\$31	20%	\$34	20%				
and in addition for every 1 % by which the alcoholic strength by volume exceeds 45%	\$2.09		\$2.29		wine made from grapes	90%	60%	60%
Cider Perry and other similar beverages	\$2.02	--	\$2.21	--	Liquor, other than wine, with an alcoholic strength of not more than 30% by volume measured at a temperature of 20°C	30%	30%	40%
Beer	\$3.07	--	\$3.36	--				
Non-European wines	\$13.22	--	\$14.48	--				
Others (including Chinese type siprits)	\$6.82	--	\$7.47	--				
and in addition for every 1 % by which the alcoholic strength by volume exceeds 30%	\$0.23		\$0.25					