

**立法會**  
**Legislative Council**

LC Paper No. CB(2)472/01-02  
(These minutes have been  
seen by the Administration)

Ref : CB2/BC/1/01

**Bills Committee on Inland Revenue (Amendment) Bill 2001**

**Minutes of the 1st meeting**  
**held on Monday, 5 November 2001 at 4:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members Present** : Hon James TIEN Pei-chun, GBS, JP (Chairman)  
Hon HUI Cheung-ching, JP (Deputy Chairman)  
Hon David CHU Yu-lin, JP  
Hon Margaret NG  
Hon CHAN Yuen-han, JP  
Hon SIN Chung-kai  
Dr Hon YEUNG Sum  
Hon Audrey EU Yuet-mee, SC, JP

**Members Absent** : Hon Albert HO Chun-yan  
Hon Eric LI Ka-cheung, JP  
Hon CHAN Kam-lam  
Hon Emily LAU Wai-hing, JP  
Dr Hon TANG Siu-tong, JP

**Public Officers Attending** : Mr Martin GLASS  
Deputy Secretary for the Treasury  
  
Miss Erica NG  
Principal Assistant Secretary for the Treasury  
  
Mrs Alice LAU  
Commissioner of Inland Revenue  
  
Mr Y Y CHU  
Assistant Commissioner of Inland Revenue

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Mrs Deborah MA  
Acting Assistant Commissioner of Inland Revenue

Mr K F CHENG  
Senior Assistant Law Draftsman, Department of Justice

**Clerk in Attendance** : Ms Doris CHAN  
Chief Assistant Secretary (2) 4

**Staff in Attendance** : Ms Bernice WONG  
Assistant Legal Adviser 1

Miss Mary SO  
Senior Assistant Secretary (2) 8

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Mr James TIEN and Mr HUI Cheung-ching were elected Chairman and Deputy Chairman of the Bills Committee.

2. The Bills Committee deliberated (Index of proceedings attached at the **Annex**).
3. Members noted Mr Albert HO's paper setting out his proposal of raising the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001-02 and 2002-03 tabled at the meeting.
4. The Bills Committee examined the Bill clause-by-clause and raised no queries.
5. As requested by the Bills Committee, the Administration agreed to provide a response on whether the following proposed amendments raised by members at the meeting had charging effect according to Rule 57(6) of the Rules of Procedure of the Legislative Council -
  - (a) Raising the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001-02 and 2002-03; and
  - (b) Increasing the maximum amount of home loan interest deduction from \$100,000 to \$150,000 for the year of assessment 2001-02 and for each year after that year.

The Bills Committee further requested the Administration to consider whether it

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would take over the aforesaid proposed amendments.

6. In order that qualified taxpayers might pay less tax which would be due from 2 January 2002 onwards, members agreed that the Bills Committee would report its deliberations to the House Committee on 9 November 2001 recommending resumption of the Second Reading debate on the Bill at the Council meeting on 21 November 2001. In this connection, members agreed that the next meeting to consider the Administration's response be held on 8 November 2001 at 4:30 pm.

7. There being no other business, the meeting ended at 5:37 pm.

Legislative Council Secretariat

22 November 2001

**Proceedings of the meeting of the Bills Committee on  
Inland Revenue (Amendment) Bill 2001  
on Monday, 5 November 2001 at 4:30 pm  
in Conference Room A of the Legislative Council Building**

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
0000-0206	Mr James TIEN and members	Election of Chairman	
0207-0321	Admin	Briefing on the objects of the Bill	
0322-0348	Chairman	Reason(s) for early enactment of the Bill by mid-November 2001	
0349-0559	Admin	Ditto	
0600-0628	Chairman	Ditto	
0629-0641	Admin	Ditto	
0642-0645	Chairman	Possibility of deferring the enactment of the Bill to the third week of November 2001	
0646-0712	Admin	Ditto	
0713-0816	Chairman	Ditto	
0817-0829	Miss Margaret NG	Provision requiring early enactment of the Bill	
0830-0852	Chairman	Ditto	
0853-0907	Miss Margaret NG	Ditto	
0908-0915	Chairman	Ditto	
0916-0919	Miss Margaret NG	Ditto	
0920-1109	Mr SIN Chung-kai	Introducing Mr Albert HO's proposal to raise the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001/02 and 2002/03	
1110-1155	Mr HUI Cheung-ching	Estimated number of taxpayers who would benefit from the new tax-deduction ceiling and the estimated loss of revenue	
1156-1241	Admin	Ditto	
1242-1254	Chairman	Ditto	
1255-1259	Admin	Ditto	
1300-1308	Chairman	Ditto	

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1309-1346	Admin	Ditto	
1347-1448	Chairman	Ditto	
1449-1514	Miss Margaret NG	Administration's preliminary response to the proposal to raise the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001/02 and 2002/03	
1515-1624	Admin	Ditto	
1625-1644	Chairman	Ditto	
1645-1707	Admin	Ditto	
1708-1738	Miss Margaret NG	Ditto	
1739-1749	Admin	Ditto	
1750-1840	Chairman	Estimated number of taxpayers who would benefit from the proposal to raise the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001/02 and 2002/03 and the estimated loss of revenue	
1841-1855	Admin	Ditto	
1856-1919	Chairman	Ditto	
1920-1944	Admin	Ditto	
1945-1947	Chairman	Ditto	
1948-2004	Admin	Ditto	
2005-2045	Chairman	Ditto	
2046-2112	Miss Margaret NG	Estimated maximum additional tax savings which could be enjoyed by qualified taxpayers if the maximum amount of home loan interest deduction was raised to \$150,000 and \$180,000 respectively	
2113-2202	Chairman	Ditto	
2203-2235	Mr SIN Chung-kai	Ditto	
2236-2252	Chairman	Ditto	
2253-2314	Ms Audrey EU	Application procedure for holding over of the 2001/02 provisional salaries tax on the ground of the increase in the maximum amount for home loan interest deduction	
2315-2422	Admin	Ditto	
2423-2448	Chairman	Ditto	

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2449-2506	Miss CHAN Yuen-han	Proposal to increase the maximum amount of home loan interest deduction from \$100,000 to \$150,000 for the year of assessment 2001/02 and for each year after that year	
2507-2509	Chairman	Ditto	
2510-2524	Miss CHAN Yuen-han	Ditto	
2525-2533	Chairman	Ditto	
2534-2638	Admin	Ditto	
2639-2719	Miss CHAN Yuen-han	Ditto	
2720-2737	Admin	Ditto	
2738-2812	Miss Margaret NG	Ditto	
2813-2852	Admin	Ditto	
2853-3007	Miss Margaret NG	Ditto	
3008-3029	Admin	Ditto	
3030-3131	Chairman	Clause by clause examination of the Bill	
3132-3300	Admin	Ditto	
3301-3307	Chairman	Ditto	
3308-3406	ALA1	Paragraph 2 of the new Schedule 12	
3407-3409	Chairman	Ditto	
3410-3417	Miss Margaret NG	Ditto	
3418-3507	ALA1	Ditto	
3508-3651	Miss Margaret NG	Reason for introducing Schedule 12	
3652-3829	Admin	Ditto	
3830-3915	Miss Margaret NG	Ditto	
3916-4023	Admin	Ditto	
4024-4106	Miss Margaret NG	Ditto	
4107-4142	Admin	Ditto	
4143-4146	Miss Margaret NG	Ditto	
4147-4152	Admin	Ditto	
4153-4154	Chairman	Ditto	

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4155-4156	Miss Margaret NG	Ditto	
4157-4213	Admin	Ditto	
4214-4325	Miss Margaret NG	Ditto	
4326-4521	Admin	Ditto	
4522-4546	Miss Margaret NG	Ditto	
4547-4646	Admin	Ditto	
4647-4659	Chairman	Ditto	
4700-4702	Miss Margaret NG	Ditto	
4703-4712	Admin	Ditto	
4713-4720	Miss Margaret NG	Ditto	
4721-4742	Chairman	Ditto	
4743-4758	Miss Margaret NG	Ditto	
4759-4801	Admin	Ditto	
4802-4807	Miss Margaret NG	Ditto	
4808-4815	Chairman	Ditto	
4816-4831	Admin	Ditto	
4832-4853	Miss Margaret NG	Ditto	
4854-5015	Admin	Ditto	
5016-5017	Miss Margaret NG	Ditto	
5018-5019	Admin	Ditto	
5020-5024	Miss Margaret NG	Ditto	
5025-5124	Admin	Ditto	
5125-5126	Chairman	Ditto	
5127-5208	Admin	Ditto	
5209-5237	Miss Margaret NG	Ditto	
5238-5255	Admin	Ditto	
5256-5339	Chairman	Ditto	
5340-5359	Admin	Ditto	

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5400-5435	Chairman	Proposal to increase the maximum amount of home loan interest deduction from \$100,000 to \$150,000 for the year of assessment 2001/02 and for each year after that year	
5436-5439	Admin	Ditto	
5440-5543	Chairman	Ditto	
5544-5742	Admin	Ditto	
5743-5726	Chairman	Ditto	
5727-5851	Admin	Ditto	
5852-5940	Mr SIN Chung-kai	Ditto	
5941-5946	Admin	Ditto	
5947-010006	Chairman	Administration to consider whether the proposals of raising the maximum amount of home loan interest deduction from \$150,000 to \$180,000 for the years of assessment 2001/02 and 2002/03 and increasing the maximum amount of home loan interest deduction from \$100,000 to \$150,000 for the year of assessment 2001/02 and for each year after that year had charging effect; and if so, whether it would take over the proposed amendments	
010007-010009	Admin	Ditto	✓
010010-010032	Chairman	Further meeting to consider the Administration's response on proposals raised by members	
010033-010049	Admin	Ditto	
010050-010056	Chairman	Legislative timetable	
010057-010110	CAS(2)4	Ditto	
010111-010122	Miss CHAN Yuen-han	Ditto	
010123-010151	Chairman	Ditto	
010152-010311	Mr SIN Chung-kai	Ditto	
010312-010334	Miss CHAN Yuen-han	Ditto	
010335-010340	Chairman	Date of next meeting	
010341-010343	Admin	Ditto	
010344-010600	Chairman	Election of Deputy Chairman	
010601-010615	Chairman and members	Ditto	

**Note : The audio records of the above proceedings are kept at the LegCo**



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**Library**

Legislative Council Secretariat

22 November 2001