

財經事務及庫務局
(庫務科)

香港下亞厘畢道
中區政府合署



**FINANCIAL SERVICES AND
THE TREASURY BUREAU
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27 January 2003

Clerk to the Bills Committee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong
(Attn.: Miss Betty MA)
(Fax: 2509 0775)

Dear Miss MA,

**Bills Committee on
Inland Revenue (Amendment) (No. 2) Bill 2001**

Meeting on 3 January 2003

At the Bills Committee meeting held on 3 January 2003, some Members asked whether IRD could provide pre-paid envelopes to facilitate the submission of paper returns by taxpayers to the Inland revenue Department (“IRD”) by post. Another Member would also like to know the Government’s policy regarding the provision of pre-paid reply service to members of the public.

We wish to advise that in the past, it was the Government’s practice to provide official-paid envelopes to members of the public for certain services, including the submission of tax returns. This practice was reviewed by the Government in the early 1990s. Given that provision of official-paid reply service entailed a loss of revenue, the then Secretary for the Treasury advised that, as a service-wide policy, official-paid reply services would cease to be provided by departments. As a possible alternative, departments might, if necessary, consider the use from their own budget of the Business Reply Service operated by the Post Office.

In line with the Government's service-wide policy to cease the provision of official-paid reply service and having reviewed its own budget constraints, the IRD ceased to supply pre-paid envelopes to taxpayers effective from the 1990-91 bulk return issue exercises (i.e. starting from April 1991). As taxpayers are well-used to this arrangement and, having regard to the IRD's present and anticipated financial position, IRD does not intend to provide pre-paid envelopes for return submission as suggested.

We understand that the suggestion for the IRD to provide pre-paid envelopes was initially raised by a Member who has found it inconvenient to purchase a stamp in order to submit a paper return to the IRD by post. We would like to point out that taxpayers can in fact purchase stamps from the extensive network of 123 Post Offices of the Hongkong Post as well as from other outlets, such as the 7-11 convenience stores. Lastly, taxpayers would be able to make use of the alternative method of filing tax returns through the telephone and internet, by means of a password, after the enactment of the Inland Revenue (Amendment) (No. 2) Bill 2001.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ivanhoe Chang', written in a cursive style.

(Ivanhoe Chang)

for Secretary for Financial Services
and the Treasury