

中華人民共和國
香港特別行政區政府
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Financial Secretary's Office
Government of the Hong Kong
Special Administrative Region
of the People's Republic of China

By mail: mleung@legco.gov.hk

21 November 2005

Ms Connie Szeto
Clerk to Panel
Panel on Financial Affairs
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Szeto,

Panel on Financial Affairs
Follow-up to meeting on 7 November 2005

I refer to your letter of 7 November 2005 requesting further follow-up actions to be taken by the Administration after the captioned meeting.

For Item (a) A breakdown of Government expenditure on works projects and the changes in percentage for each of the past ten years (i.e. covering the financial years of 1995-96 to 2004-05), please see Annex A; and

Item (b) A breakdown of the profits tax revenue contributed by the top 600 taxpaying corporations for the year of Assessment 2003-04 (Chart 19 of the information pack for the Financial Secretary's consultations on the 2006-07 Budget), please see Annex B.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Shirley Yuen', written over a faint, larger signature or stamp.

(Shirley Yuen)
Administrative Assistant to
Financial Secretary

Encl.

Annex A

Capital Works Programme
Actual Expenditure from 1995/96 – 2004/05

Financial Year	Major Works	Minor Works	Total	Percentage change (compared to preceding year)
1995-96	\$27.2B	\$1.9B	\$29.1B	-
1996-97	\$24.0B	\$3.0B	\$27.0B	-7.2%
1997-98	\$21.8B	\$3.9B	\$25.7B	-4.8%
1998-99	\$22.9B	\$4.7B	\$27.6B	+7.4%
1999-00	\$21.1B	\$5.0B	\$26.1B	-5.4%
2000-01	\$22.8B	\$4.9B	\$27.7B	+6.1%
2001-02	\$21.6B	\$4.9B	\$26.5B	-4.3%
2002-03	\$20.9B	\$7.4B	\$28.3B	+6.8%
2003-04	\$24.7B	\$6.7B	\$31.4B	+11.0%
2004-05	\$26.9B	\$4.5B	\$31.4B	0%

Annex B

In the year of assessment 2003-04, 60% of our profits tax was contributed by the top 600 taxpaying corporations out of more than 55 000 corporations. Most small businesses pay little or no tax.

Further breakdown of the profits tax revenue contributed by the top 600 taxpaying corporations is appended below:-

<u>Assessable profits</u>	<u>No. of corporations</u>	<u>% of Total tax yield</u>
>\$50M to \$75M	200 (0.35%)	4.7%
>\$75M to \$100M	100 (0.17%)	3.3%
>\$100M to \$250M	200 (0.35%)	12.0%
>\$250M	100 (0.17%)	40.3%