

## Extract

CB(1)1583/06-07(01)

### Budget Speech

---

#### Stamp Duty on Property Transactions

68. It is the aspiration of most middle-class families to purchase their own home. I therefore propose to reduce the rate of stamp duty on transactions of properties with a value between \$1 million and \$2 million from 0.75 per cent to a fixed amount of \$100, which is the same level of duty as for properties with a value at or below \$1 million. This proposal comes into immediate effect. It will benefit about 30 000 home buyers and cost the Government about \$250 million a year.

#### Duty on Alcoholic Beverages

69. I believe that reducing the duty on alcoholic beverages will help promote the development of our catering industry, tourism and wholesale and retail alcoholic beverage trade, thereby benefiting the community at large. I propose that the duty rate on beer and other types of liquor containing not more than 30 per cent of alcohol be reduced from the current 40 per cent to 20 per cent, and that on wine from the current 80 per cent to 40 per cent. These proposals take immediate effect, and will cost the Government about \$350 million a year.

70. During the Budget consultation period, some people suggested that the Budget should be more visionary: for instance, the duty on alcoholic beverages should be abolished to boost economic activities, increase employment and promote the development of Hong Kong as the region's wine exhibition, trading and logistics centre. I am willing to consider this innovative idea further if it enjoys broad community support.

[Content](#) | [Next](#)