

FACT SHEET

Major Sources of Government Revenue

(as at 2 July 2008)

Government revenue⁽¹⁾ for 2006-2007 (Total : HK\$228.9 billion)		
Items	Value (in HK\$ billion)	Percentage
Profits tax (2008-2009 tax rates: corporations: 16.5% unincorporated businesses: 15%)	71.9	31.4%
Salaries tax (2008-2009 tax rates: 2% – 17% on HK\$40,000 segments of income after deduction of allowances Standard tax rate: 15%)	42.2	18.4%
Other revenues (e.g. income from properties and investments, loans and reimbursements, motor vehicle first registration tax, and yields from the Capital Works Reserve Fund and the Capital Investment Fund)	36.0	15.7%

Note: (1) Government revenue refers to the revenue collection under the General Revenue Account, which does not cover the following funds – Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund, which are established by resolutions of the Legislative Council for specific purposes.

Major sources of government revenue (cont'd)

Government revenue for 2006-2007 (Total : HK\$228.9 billion)		
Items	Value (in HK\$ billion)	Percentage
Stamp duties (duties on different classes of documents relating to assignments of immovable property, leases and shares transfers)	25.1	10.9%
Rates (2008-2009 tax rate: 5% of the rateable annual rent of landed property)	15.5	6.8%
Betting duty (2008-2009 tax rates: Horse races bets: 72.5% – 75.0% on the net stake receipts Mark Six Lottery: 25% on the amount of proceeds Football matches bets: 50% on the net stake receipts)	12.1	5.3%
Fees and charges	11.7	5.1%
Duties (four groups of commodities: tobacco, certain types of hydrocarbon oil, alcoholic beverages and certain alcoholic products)	7.0	3.1%

Major sources of government revenue (cont'd)

Government revenue for 2006-2007 (Total : HK\$228.9 billion)		
Items	Value (in HK\$ billion)	Percentage
Government rents (2008-2009 tax rate: 3% of the rateable value of landed property)	5.7	2.5%
Property tax (2008-2009 tax rate: 15% on the actual rent received, less an allowance of 20% for repairs and maintenance)	1.3	0.6%
Hotel accommodation tax (starting from 2008-2009, the Government has waived the 3% hotel accommodation tax)	0.4	0.2%

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References

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4. The Treasury. (2007) *Accounts of the Government for the Year Ended 31 March 2007*. Hong Kong, Government Logistics Department.