

FACT SHEET

Major sources of Government revenue

(as at 2 December 2008)

Government revenue⁽¹⁾ for 2007-2008 (Total : HK\$306.5 billion)		
Items	Value (in HK\$ billion)	Percentage
Profits tax (2008-2009 tax rates: corporations: 16.5% unincorporated businesses: 15%)	91.4	29.8%
Stamp duties (duties on different classes of documents relating to assignments of immovable property, leases and shares transfers)	51.5	16.8%
Other revenues (e.g. income from properties and investments, loans and reimbursements and motor vehicle first registration tax)	42.1	13.7%
Salaries tax (2008-2009 tax rates: 2% – 17% on HK\$40,000 segments of income after deduction of allowances Standard tax rate: 15%)	41.1	13.4%
Transfers from funds ⁽²⁾	31.6	10.4%

Notes: (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.

(2) The Government transferred a lump sum of HK\$30 billion from the Capital Works Reserve Fund to the General Revenue Account.

Major sources of government revenue (cont'd)

Government revenue for 2007-2008 (Total : HK\$306.5 billion)		
Items	Value (in HK\$ billion)	Percentage
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)	13.0	4.2%
Fees and charges	12.3	4.0%
Rates (2008-2009 tax rate: 5% of the rateable annual rent of landed property)	9.5	3.1%
Duties (four groups of commodities: tobacco, certain types of hydrocarbon oil, alcoholic beverages and certain alcoholic products)	7.0	2.3%
Government rents (2008-2009 tax rate: 3% of the rateable value of landed property)	5.8	1.9%
Property tax (2008-2009 tax rate: 15% on the actual rent received, less an allowance of 20% for repairs and maintenance)	1.2	0.4%

References

1. *Inland Revenue Department*. (2008) Available from: <http://www.ird.gov.hk/> [Accessed December 2008].
2. *Rating and Valuation Department*. (2008) Available from: <http://www.rvd.gov.hk/> [Accessed December 2008].
3. *Speech by the Financial Secretary: The 2008-09 Budget*. (2008) Hong Kong, Government Logistics Department.
4. The Treasury. (2008) *Accounts of the Government for the year ended 31 March 2008*. Hong Kong, Government Logistics Department.

Research and Library Services Division
2 December 2008
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