

## FACT SHEET

### Major sources of Government revenue<sup>(1)</sup> (Revised on 23 February 2011)

Items	2008-2009 (in HK\$ billion)	Percentage	2009-2010 (in HK\$ billion)	Percentage
<b>Profits tax</b> (2009-2010 tax rates: corporations: 16.5% unincorporated businesses: 15%)	104.2	38.1%	76.6	29.6%
<b>Stamp duties</b> (2009-2010 tax rates: Sale or transfer of property <sup>(2)</sup> : HK\$100 – 4.25%, depending on the amount of the transaction Lease of property: 0.25% of the yearly rent Transfer of stock: 0.1% of the amount of the stock traded)	32.2	11.8%	42.4	16.4%

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) Starting from 20 November 2010, on top of the current ad valorem property transaction stamp duty, the Government has introduced a special stamp duty on residential properties to curb speculation. The special stamp duty has three levels of regressive rates for different holding periods: (a) 15% if the property has been held for six months or less; (b) 10% if the property has been held for more than six months but for 12 months or less; and (c) 5% if the property has been held for more than 12 months but for 24 months or less.

**Major sources of Government revenue (cont'd)**

Items	2008-2009 (in HK\$ billion)	Percentage	2009-2010 (in HK\$ billion)	Percentage
<b>Salaries tax</b> (2009-2010 tax rates: 2% – 17% on HK\$40,000 segments of income after deduction of allowances Standard tax rate: 15%)	39.0	14.3%	41.2	15.9%
<b>Personal assessment<sup>(3)</sup></b>	2.2	0.8%	3.7	1.4%
<b>Other revenues</b> (Categories include: property tax, income from properties, loans and reimbursements and motor vehicle first registration tax)	29.9	11.0%	31.1	12.1%
<b>Investment income and interest</b>	23.4	8.6%	17.9	6.9%
<b>Betting duty</b> (2009-2010 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)	12.6	4.6%	12.8	4.9%

Note: (3) If individual taxpayers elect for personal assessment, the Inland Revenue Department will aggregate the assessable income under salaries tax, profits tax and property tax, and making adjustments for the deductions. The balance, if any, will be taxed at the same rates as those used for salaries tax. As such, personal assessment may reduce the tax payable by individual taxpayers who have to pay profits tax and/or property tax.

**Major sources of Government revenue (cont'd)**

<b>Items</b>	<b>2008-2009 (in HK\$ billion)</b>	<b>Percentage</b>	<b>2009-2010 (in HK\$ billion)</b>	<b>Percentage</b>
<b>Fees and charges</b>	10.5	3.8%	10.5	4.1%
<b>Rates</b> (2009-2010 tax rate: 5% of the rateable annual rent of landed property)	7.2	2.6%	10.0	3.9%
<b>Duties</b> (four groups of commodities: tobacco, certain types of hydrocarbon oil, alcoholic beverages and certain alcoholic products)	6.1	2.2%	6.5	2.5%
<b>Government rents</b> (2009-2010 tax rate: 3% of the rateable value of landed property)	5.9	2.2%	5.9	2.3%
<b>Total</b>	<b>273.2</b>	<b>100%</b>	<b>258.6</b>	<b>100%</b>

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## References

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