

立法會
Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 2 November 2011

**Amendments to motion on
“Alleviating the financial burden of middle-class people”**

Further to LC Paper No. CB(3) 60/11-12 issued on 21 October 2011, nine Members (Hon WONG Kwok-hing, Hon Paul CHAN, Hon Albert HO, Hon LEE Wing-tat, Hon WONG Sing-chi, Hon KAM Nai-wai, Hon Miriam LAU, Hon Audrey EU and Dr Hon LEUNG Ka-lau) have respectively given notices of their intention to move separate amendments to Hon LAU Kong-wah’s motion on “Alleviating the financial burden of middle-class people” scheduled for the Council meeting of 2 November 2011. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon LAU Kong-wah to speak and move his motion;
- (b) the President proposes the question on Hon LAU Kong-wah’s motion;
- (c) the President calls upon the nine Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon WONG Kwok-hing;
 - (ii) Hon Paul CHAN;

- (iii) Hon Albert HO;
 - (iv) Hon LEE Wing-tat;
 - (v) Hon WONG Sing-chi;
 - (vi) Hon KAM Nai-wai;
 - (vii) Hon Miriam LAU
 - (viii) Hon Audrey EU; and
 - (ix) Dr Hon LEUNG Ka-lau;
- (d) the President calls upon the designated public officer(s) to speak;
- (e) the President invites other Members to speak;
- (f) the President gives leave to Hon LAU Kong-wah to speak for the second time on the amendments;
- (g) the President calls upon the designated public officer(s) again to speak;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the nine Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon WONG Kwok-hing to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon WONG Kwok-hing's amendment;
- (i) after Hon WONG Kwok-hing's amendment has been voted upon, the President deals with the other eight amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon LAU Kong-wah to reply. Thereafter, the President puts to vote the question on Hon LAU Kong-wah's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Alleviating the financial burden of middle-class people”
to be held at the Council meeting
of 2 November 2011**

1. Hon LAU Kong-wah’s original motion

That, given that uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;

- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- (k) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- (l) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- (m) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- (n) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- (o) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- (p) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- (q) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'.

2. Motion as amended by Hon WONG Kwok-hing

That, ~~given that~~ *middle-class people are the pillar of Hong Kong society, but their being in an unreasonable situation where they are not given any strong support despite their heavy livelihood burden over the years is often disregarded by the Government;* as uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates *and overall economic conditions*;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by ~~50%~~ *up to 100% of the final tax, subject to a ceiling of \$10,000 per case*;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of ~~\$12,000~~ *\$24,000*;
- (e) raising the tax allowance for new-born infants to \$100,000, *and increasing the child allowance by 50% for the second child of a family or any child born to it thereafter in the first six years after birth*;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

- (i) *offering a tax allowance of \$100,000 per household per year to households with no property for renting private residential units;*

Education -

- ~~(j)~~(j) introducing tax deduction for children education with a ceiling of \$10,000;
- ~~(k)~~(k) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- ~~(l)~~(l) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme *to \$20,000 subject to the requirement that a specific portion of the subsidy must be used for subsidizing relevant schooling costs such as school uniforms, school bags and learning materials, etc.*, and directly subsidizing the remuneration of kindergarten teachers;
- ~~(m)~~(m) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;
- (n) *expeditiously implementing 15-year free education and setting an implementation timetable;*

Healthcare -

- ~~(o)~~(o) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- ~~(p)~~(p) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;
- (q) *introducing tax deduction for payment of medical charges relating to parents and grandparents aged 65 or above;*
- (r) *offering tax deduction to patients who need to purchase expensive drugs for treatment, so as to alleviate the financial burden imposed on them and their families by medical treatment;*

Transportation -

- ~~(s)~~(s) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- ~~(t)~~(t) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; ~~and~~
- (u) *expeditiously resolving the problem of uneven traffic flows of the three harbour crossings, including reducing the tolls of the Eastern Harbour Crossing and Western Harbour Crossing by way of buying back, so as to alleviate the burden of cross-harbour expenses on drivers and members of the public;*
- ~~(v)~~(v) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'; *and*

Social welfare -

- (w) *introducing tax deduction for community care for the elderly, so that children with dependent parents or grandparents can enjoy tax deduction after paying for home care, domestic helpers, day care, respite service and residential care services, etc., for their elderly family members, so as to encourage children to take greater care of the elderly.*

Note: Hon WONG Kwok-hing's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon Paul CHAN

That, ~~given that~~ *the Policy Address contains no measure to help middle-class families and, as* uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;
- (f) *widening each tax band for salaries tax by \$10,000 and reducing the marginal rate for each tax band by one percentage point to two percentage points;***
- (g) *allowing a married couple to make separate election for personal assessment, instead of requiring them to make a joint election;***
- (h) *abolishing the residence requirement of at least 180 days imposed on parents, permitting Hong Kong people supporting retired dependant parents living on the Mainland to enjoy dependant parent allowance;***

Housing -

- ~~(f)~~**(i)** introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- ~~(g)~~**(j)** extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- ~~(h)~~**(k)** providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- ~~(i)~~**(l)** introducing tax deduction for children education with a ceiling of \$10,000;

- ~~(j)~~(m) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- ~~(k)~~(n) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- ~~(l)~~(o) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- ~~(m)~~(p) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- ~~(n)~~(q) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- ~~(o)~~(r) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- ~~(p)~~(s) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- ~~(q)~~(t) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'.

Note: Hon Paul CHAN's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon Albert HO

That, *according to the figures released by the Census and Statistics Department, Hong Kong's unemployment rate between June and August is at a record low in 13 years, but* given that uncertainties persist in external

markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, ***from \$108,000 to \$118,000, and increasing the*** child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50% ***while having to set a reasonable ceiling;***
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of ~~\$12,000~~ ***\$20,000;***
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) ***relaxing the means tests under the various student finance schemes, deducting necessary expenses relating to housing and healthcare, etc. in the computation of Adjusted Family Income to reflect the realities***

in family expenditure, and lowering the application threshold, so as to benefit more families from the middle and lower strata;

- ~~(k)~~(k) *abolishing the charging of interests during students' studies and the 1.5% risk rate for lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to ~~2.5%~~ and replacing the means-tested loans with interest-free loans, so as to relieve graduates' financial burden;*
- ~~(l)~~(l) *fully subsidizing ~~pre-primary~~ early childhood education, implementing 15-year free education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and during the transitional period, directly subsidizing the remuneration of kindergarten teachers, and providing weighted subsidies for whole-day nursery classes, so as to enable dual-income families to receive reasonable support;*
- ~~(m)~~(m) *increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000, strictly monitoring the reimbursable courses under the Continuing Education Fund and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person only after teaching quality is ensured;*
- (n) *making actual efforts to debundle textbooks from teaching and learning materials for pricing so as to stabilize textbook prices, and including the principle of 'promoting textbook recycling' in the Guidelines for Printing of Textbooks, so as to encourage the reuse of second-hand textbooks and relieve parents' financial burden of buying textbooks in each new academic year;*

Healthcare -

- ~~(o)~~(o) *introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;*
- ~~(p)~~(p) *increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;*

Transportation -

- ~~(q)~~(q) *using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;*

- (p)(r) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- (q)(s) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being ‘swift in increasing but slow in decreasing prices’ and ‘making big price increases but small price cuts’.

Note: Hon Albert HO’s amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon LEE Wing-tat

That, ~~given that~~ *as land prices, property prices and rentals in Hong Kong are high, and* uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;

- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;
- (i) *introducing ‘tax deduction for residential rentals’ to make expenditure on private residential rentals tax deductible, subject to an annual ceiling of \$100,000 and offered on a reimbursement basis;*
- (j) *adjusting the stamp duty regime, so that property transactions each worth \$2.5 million or less only needs to pay a fixed stamp duty of \$100;*

Education -

- ~~(k)~~(k) introducing tax deduction for children education with a ceiling of \$10,000;
- ~~(l)~~(l) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- ~~(m)~~(m) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- ~~(n)~~(n) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- ~~(o)~~(o) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- ~~(p)~~(p) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- ~~(q)~~(q) using the dividends received by the Government from the MTR Corporation Limited (‘MTRCL’) to lower MTR fares as a form of passenger reward;

- (p)(r) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- (q)(s) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being ‘swift in increasing but slow in decreasing prices’ and ‘making big price increases but small price cuts’.

Note: Hon LEE Wing-tat’s amendment is marked in *bold and italic type* or with deletion line.

6. Motion as amended by Hon WONG Sing-chi

That, *as Hong Kong is an externally oriented and open economy, external economic fluctuations cause far-reaching impact on Hong Kong*; given that uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;

- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- (k) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- (l) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- (m) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- (n) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- (o) ~~using the dividends~~ **regarding the dividends** received by the Government from the MTR Corporation Limited ('MTRCL'), **or the profits received by public transport operators from their non-transport business (such as the annual property proceeds of MTRCL), studying the allocation of a certain percentage of such dividends or profits to establish a fare stabilization fund** to lower MTR fares as a form of passenger reward;

- (p) urging MTRCL to introduce monthly, *weekly and daily* ticket schemes for all the lines of its system; ~~and~~ *and provide long-haul passengers with ‘same day return half-fare concessions’*;
- (q) *reviewing the fare adjustment mechanism for MTRCL (i.e. the fare adjustment mechanism that allows fares to go upwards and downwards), and studying the inclusion of significant factors such as public acceptance and affordability, MTRCL’s incident occurrence figures and its profit levels, etc. in the formula for determining fare adjustment rates, so as to fully reflect the realities of people’s livelihood and MTRCL’s service quality in MTR fares;*
- ~~(q)~~(r) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being ‘swift in increasing but slow in decreasing prices’ and ‘making big price increases but small price cuts’; *and*
- (s) *requesting bus companies to provide full-scale interchange fare concessions and services, implement sectional fares and introduce more fare concessions for persons with disabilities.*

Note: Hon WONG Sing-chi’s amendment is marked in *bold and italic type* or with deletion line.

7. Motion as amended by Hon KAM Nai-wai

That, ~~given that uncertainties persist in external markets~~ *affected by external economic factors*, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; *and in the Policy Address this year, the Government has not put forward any effective energy conservation measures which are both beneficial to people and environmentally friendly*; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;

- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;
- (f) ***offering tax allowance to people who purchase energy efficient products with Grade 1 energy label, subject to a ceiling of \$5,000;***

Housing -

- ~~(f)~~(g) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- ~~(g)~~(h) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- ~~(h)~~(i) providing each residential electricity account with an electricity charge subsidy of \$3,600, ***and offering an additional electricity charge subsidy of \$1,200 to an account whose electricity consumption in a half-year period is 5% or more lower than its consumption in the corresponding period of the previous year, so as to encourage people to reduce electricity consumption;***

Education -

- ~~(i)~~(j) introducing tax deduction for children education with a ceiling of \$10,000;
- ~~(j)~~(k) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- ~~(k)~~(l) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- ~~(l)~~(m) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- ~~(m)~~(n) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- ~~(n)~~(o) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- ~~(o)~~(p) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- ~~(p)~~(q) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- ~~(q)~~(r) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'.

Note: Hon KAM Nai-wai's amendment is marked in *bold and italic type* or with deletion line.

8. Motion as amended by Hon Miriam LAU

~~That, given that uncertainties persist in external markets, Hong Kong faces a number of principal officials of the SAR Government have projected that uncertainties in external markets will cause Hong Kong to face~~ the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax ~~according to inflation rates;~~

- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) *relaxing the restrictions on the dependent parent or dependent grandparent allowance by relaxing the eligible requirement from living in the same unit to living in the same housing estate;*
- ~~(e)~~(d) *reducing on the basis of past reductions or rebates of salaries tax and personal assessment, continuing to reduce or make partial rebates of salaries tax and personal assessment by 50%;*
- ~~(d)~~(e) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- ~~(e)~~(f) raising the tax allowance for new-born infants to \$100,000; ;
- (g) *adjusting salaries tax downwards, in particular widening tax bands for salaries tax and lowering the marginal rate, so as to vigorously alleviate the burden of marginal middle-class people;*

Housing -

- ~~(f)~~ *introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy; (h) raising the amount of residential rates reduction for 2012-2013 and introducing Government rent reduction;*
- ~~(g)~~(i) *extending seeking to extend the entitlement period for deduction for home loan interest from 10 years to 15 years; preferably up to the end of the entire loan tenure;*
- (j) *introducing a tax allowance for rentals;*
- (k) *relaxing the eligibility for purchasing flats in the Home Ownership Scheme secondary market, thereby enabling eligible white form applicants to make purchases;*
- (l) *rolling out 'flats with limited floor areas' solely for purchase by Hong Kong people who are first-time home-buyers;*
- ~~(h)~~(m) providing each residential electricity account with a *more* electricity charge subsidy of \$3,600;

Education -

- ~~(i)~~(n) introducing tax deduction for children education with a ceiling of \$10,000; ;
- (o) *introducing a special schooling allowance which must be granted on a fair and equal basis to parents of all secondary, primary and kindergarten students in Hong Kong, so as to assist them in combating the inflation of educational expenses;*
- ~~(j)~~(p) ~~lowering~~ *seeking to lower* the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing *and replace* the means-tested loans with interest-free loans;
- ~~(k)~~(q) fully subsidizing pre-primary education *arrangements*, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- ~~(l)~~(r) *substantially* increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising *and* the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- ~~(m)~~(s) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- ~~(n)~~(t) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;
- (u) *providing tax deduction for medical examination, so as to encourage people to undergo regular examinations;*

Transportation -

- ~~(o)~~(v) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- ~~(p)~~(w) urging *public transport operators, including MTRCL, bus companies as well as ferry companies which are not yet offering monthly tickets*, to introduce monthly ticket schemes for all the lines of its system *throughout their systems and launch other suitable support measures, so as to relieve people's burden of transportation expenses;* and

- (e)(x) reducing the unleaded petrol duty ~~by 50%~~, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being ‘swift in increasing but slow in decreasing prices’ and ‘making big price increases but small price cuts’.

Note: Hon Miriam LAU’s amendment is marked in *bold and italic type* or with deletion line.

9. Motion as amended by Hon Audrey EU

That *the polarization between the rich and the poor and the shrinking of the middle class have become serious recently, and*, given that uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure, *facing increasing risks of downward mobility along the social ladder of the M-shaped social structure*; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden *while making long-term commitment in various policy areas*, including *considering the following measures*:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;

- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each *low-consumption* residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- (k) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers; *expeditiously launching policy studies on 'free pre-primary education', so as to achieve the objective of implementing 15-year free education;*
- (l) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- (m) *considering* introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000; *injecting the fund of \$50 billion earmarked for the voluntary health protection scheme into the public healthcare system; increasing obstetric services and healthcare manpower;*
- (n) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients; *and expeditiously reviewing the inclusion of many expensive and specific self-financed drugs as well as treatment and diagnostic methods inside the safety net of the Fund into the scope of subsidized services of the Hospital Authority at no extra fees, so as to alleviate patients' burden;*

Transportation -

- (o) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- (p) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; ~~and~~
- (q) *enhancing the tax deduction for electric vehicles and the Tax Incentives Scheme for Environment-friendly Petrol Private Cars, offering more financial concessions in respect of such vehicles on top of the motor vehicle first registration tax, and strengthening the support measures for the use of motor vehicle biodiesel or reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'; and*
- (r) *expediting investments in electric vehicle charging facilities in Hong Kong, and introducing public electric vehicles and public cycling systems in feasible areas such as West Kowloon and Kai Tak,*

in addition to the aforesaid measures, the Administration should expeditiously formulate comprehensive and long-term policies for resolving the structural problem of an M-shaped society, and respond to the concerns and aspirations of middle-class people in the areas of housing, healthcare and education, so that while middle-class people's burden can be lessened, they can also upgrade their quality of life in various respects.

Note: Hon Audrey EU's amendment is marked in *bold and italic type* or with deletion line.

10. Motion as amended by Dr Hon LEUNG Ka-lau

That, given that uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;
- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- (k) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- (l) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- (m) introducing tax deduction for ~~private medical insurance contributions with a ceiling of \$12,000~~ **households whose total medical expenditure exceeds a minimum of \$2,000 per year;**
- (n) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- (o) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- (p) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- (q) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'.

Note: Dr Hon LEUNG Ka-lau's amendment is marked in ***bold and italic type*** or with deletion line.