

立法會 *Legislative Council*

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Subcommittee on Rating (Exemption) Order 2012

Background brief

Purpose

This paper provides background information on the Rating (Exemption) Order 2012 (the Order).

Background

2. In the 2012-2013 Budget, the Financial Secretary announced seven one-off measures to help ease the pressure of the economic downturn, including the measures the Chief Executive proposed in his Policy Address. One of the measures is the proposal to waive rates for 2012-2013¹, subject to a ceiling of \$2,500 per quarter for each rateable property. The Administration has estimated that almost 90% of properties, or 2.7 million properties, will be subject to no rates in the new financial year. This proposal will cost the Government \$11.7 billion.

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3. The Order was made by the Chief Executive in Council under section 36(2) of the Rating Ordinance (Cap. 116) to give effect to the rates concession proposed in paragraph 59(1) of the 2012-2013 Budget Speech.

4. The Order declares that all tenements are exempted from the payment of rates in respect of all quarters in the period from 1 April 2012 to 31 March 2013 wholly, if the amount of rates payable for the quarter is \$2,500 or less, or up to \$2,500 if the amount is more than \$2,500.

¹ Comprehensive Social Security Assistance recipients who do not have to bear rates will not obtain any pecuniary advantage from the measure of waiving rates.

5. The Order was gazetted on 3 February 2012 and tabled at the Legislative Council (LegCo) meeting on 8 February 2012. Subject to the expiry of the negative vetting period, the Order will come into operation on 1 April 2012.

Recent cases of rates exemption

6. Recent cases of rates exemption implemented as relief measures in the current LegCo term are as follows:

	Rating (Exemption) Order 2009	Rating (Exemption) (No.2) Order 2009	Rating (Exemption) Order 2010	Rating (Exemption) Order 2011
Date of gazettal	25 February 2009	26 June 2009	26 February 2010	23 February 2011
Date of tabling in LegCo	4 March 2009	8 July 2009	3 March 2010	2 March 2011
Commencement date	1 April 2009	1 October 2009	1 April 2010	1 April 2011
Concession period	1 April 2009 to 30 September 2009	1 October 2009 to 31 March 2010	1 April 2010 to 31 March 2011	1 April 2011 to 31 March 2012
Ceiling (per quarter for each rateable property)	\$1,500	\$1,500	\$1,500	\$1,500

7. Members did not set up a subcommittee to consider the above Orders made in 2009 to 2011 and they came into operation on the scheduled dates without any amendment thereto.

The Subcommittee

8. At the meeting of the House Committee held on 10 February 2012, Members agreed that a subcommittee should be formed to study the Order.

Relevant papers

Rating (Exemption) Order 2009

<http://www.legco.gov.hk/yr08-09/english/subleg/negative/ln028-09-e.pdf>

Rating (Exemption) (No. 2) Order 2009

<http://www.legco.gov.hk/yr08-09/english/subleg/negative/ln138-09-e.pdf>

Rating (Exemption) Order 2010

<http://www.legco.gov.hk/yr09-10/english/subleg/negative/ln019-10-e.pdf>

Rating (Exemption) Order 2011

<http://www.legco.gov.hk/yr10-11/english/subleg/negative/ln034-11-e.pdf>

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