

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 20 November 2013

**Amendments to motion on
“Reducing taxes across the board”**

Further to LC Paper No. CB(3) 142/13-14 issued on 6 November 2013, nine Members (Hon CHAN Yuen-han, Hon Frederick FUNG, Hon Kenneth LEUNG, Hon Jeffrey LAM, Hon YIU Si-wing, Hon CHEUNG Kwok-che, Hon SIN Chung-kai, Hon WONG Ting-kwong and Hon Ronny TONG) have respectively given notices of their intention to move separate amendments to Hon Paul TSE’s motion on “Reducing taxes across the board” scheduled for the Council meeting of 20 November 2013. 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 the nine amendments. To assist Members in debating the motion and the amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Paul TSE to speak and move his motion;
- (b) the President proposes the question on Hon Paul TSE’s motion;
- (c) the President calls upon the nine Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:

- (i) Hon CHAN Yuen-han;
 - (ii) Hon Frederick FUNG;
 - (iii) Hon Kenneth LEUNG;
 - (iv) Hon Jeffrey LAM;
 - (v) Hon YIU Si-wing;
 - (vi) Hon CHEUNG Kwok-che;
 - (vii) Hon SIN Chung-kai;
 - (viii) Hon WONG Ting-kwong; and
 - (ix) Hon Ronny TONG;
- (d) the President calls upon the public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon Paul TSE to speak for the second time on the amendments;
 - (g) the President calls upon the public officer(s) to speak again;
 - (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 CHAN Yuen-han to move her amendment to the motion, and forthwith proposes and puts to vote the question on Hon CHAN Yuen-han's amendment;
 - (i) after Hon CHAN Yuen-han'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 Paul TSE to reply. Thereafter, the President puts to vote the question on Hon Paul TSE's motion, or his motion as amended, as the case may be.

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

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Reducing taxes across the board”
to be held at the Council meeting of 20 November 2013**

1. Hon Paul TSE’s original motion

That this Council urges the SAR Government to expeditiously reduce taxes across the board to return wealth to the people.

2. Motion as amended by Hon CHAN Yuen-han

That, *as inflation has been serious in recent years, in order to alleviate the public’s financial burden*, this Council urges the SAR Government to expeditiously reduce taxes across the board to return wealth to the people; *at the same time, the Administration must examine afresh the tax regime, including:*

- (1) *to implement a progressive profits tax regime, so that enterprises which reap huge profits will bear greater social responsibility;*
- (2) *to adjust the tax bands for the salaries tax, so as to alleviate the tax burden of the middle class and grass-root people;*
- (3) *to increase the child allowance and the dependent parent and dependent grandparent allowance; and*
- (4) *to introduce new taxes such as capital gains tax, etc. so as to maintain stable and robust financial revenue for the Government,*

thereby fulfilling the rationale of ‘earning more, paying more’ and manifesting the principle of vertical equity.

Note: Hon CHAN Yuen-han’s amendment is marked in *bold and italic type*.

3. Motion as amended by Hon Frederick FUNG

That *the tax regime of Hong Kong has all along been criticized, and certain taxes are unable to manifest the principle of 'earning more, paying more'; in this connection*, this Council urges the SAR Government to expeditiously ~~reduce taxes across the board to~~ *review the tax regime, including introducing progressive profits tax, etc., and optimize the use of tax revenue and huge fiscal reserves, so as to meet the increasing demands of the public in various areas of the society and* return wealth to the people.

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

4. Motion as amended by Hon Kenneth LEUNG

That, *as the economic pattern in Hong Kong is changing*, this Council urges the SAR Government to expeditiously ~~reduce taxes across the board to return wealth to the people and~~ *comprehensively review the Inland Revenue Ordinance to make the tax regime of Hong Kong fairer, more competitive and certain; the SAR Government should also optimize the fiscal surplus and avoid excessive wealth accumulation, so as to achieve the objective of leaving wealth with the people.*

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

5. Motion as amended by Hon Jeffrey LAM

That, *as Hong Kong's middle-class people pay large amounts of tax but enjoy few welfare benefits, and face a trend of downward mobility*, this Council urges the SAR Government to expeditiously ~~reduce taxes across the board to return wealth to the people~~ *introduce or increase tax allowances for education, healthcare, housing and maintaining children, so as to alleviate the financial burden of middle-class people.*

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

6. Motion as amended by Hon YIU Si-wing

That, *as Hong Kong is encountering the problems of population ageing and progressive increase in public expenditure*, this Council urges the SAR Government to ~~expeditiously reduce taxes across the board~~ *initiate studies on improving the tax regime to increase the sources of financial revenue, and expeditiously roll out appropriate tax reduction measures* to return wealth to the people.

Note: Hon YIU Si-wing's amendment is marked in *bold and italic type* or with deletion line.

7. Motion as amended by Hon CHEUNG Kwok-che

That, *as Hong Kong's current allocation of public expenditure is insufficient*, this Council urges the SAR Government to ~~expeditiously reduce taxes across the board to return~~ *and comprehensively implement a fair tax regime, and under the principle of 'earning more, paying more', discharge its responsibility of wealth redistribution, so as to further promote social investment and the development of public services to achieve the objective of returning* wealth to the people; *the SAR Government should also introduce a tax on dividend income of significant amount, stipulating that the first \$250,000 of the dividend income is tax free while the exceeded amount must be counted as assessable income or profit, so as to stop coddling tycoons or consortia which pocket significant amount of dividends.*

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

8. Motion as amended by Hon SIN Chung-kai

That, *as the total amount of the accumulated surplus of the Exchange Fund and the Government's fiscal reserves reach around \$1,300 billion*, this Council urges the SAR Government to ~~expeditiously reduce taxes across the board~~ *offer tax concessions to the middle class and grass-root people* to return wealth to the people; *the relevant measures should include:*

- (1) *to increase the basic allowance for the salaries tax to \$132,000 and increase the married person's allowance to \$264,000;*
- (2) *to increase the first three amounts of the net chargeable income under the salaries tax to \$50,000 each, and abolish the standard rate for the*

salaries tax, so that all members of the public pay their salaries tax according to the marginal tax rate, with its maximum rate at 17%;

- (3) *to increase the child allowance (the first to ninth child) to \$100,000 for each child;*
- (4) *to introduce '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;*
- (5) *to introduce 'tax deduction for retirement protection savings' to make contributions to private retirement savings schemes and additional contributions to the Mandatory Provident Fund schemes tax deductible, subject to an annual ceiling of \$20,000 and offered on a reimbursement basis; and*
- (6) *to introduce 'persons with disabilities allowance', with its amount of \$66,000.*

Note: Hon SIN Chung-kai's amendment is marked in *bold and italic type* or with deletion line.

9. Motion as amended by Hon WONG Ting-kwong

That, *in order to alleviate the financial burden of the public and small and medium enterprises in Hong Kong*, this Council urges the SAR Government to ~~expeditiously reduce taxes across the board~~ *reduce the salaries tax, profits tax and rates in the next financial year, and at the same time adjust the salaries tax regime, including widening the tax bands for the salaries tax, lowering the marginal rate and increasing the salaries tax allowances, so as to return wealth to the people.*

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

10. Motion as amended by Hon Ronny TONG

That this Council urges the SAR Government to ~~expeditiously~~ *increase recurrent expenditure to address livelihood problems, or else* reduce taxes across the board to return wealth to the people.

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