

**立法會**  
***Legislative Council***

LC Paper No. LS111/99-00

**Paper for the House Committee Meeting  
of the Legislative Council  
on 14 April 2000**

**Legal Service Division Report on  
Revenue (No. 2) Bill 2000**

**Object of the Bill**

To extend the duration of the tax concessions on light diesel oil and on first registration tax in respect of electric vehicles.

**LegCo Brief Reference**

2. FIN CR 7/2201/99 dated 14 March 2000, issued by the Finance Bureau.

**Date of First Reading**

3. 5 April 2000.

**Comments**

4. The Bill seeks to implement the 2 following tax proposals announced by the Financial Secretary in his Budget speech on 8 March 2000 -
  - (a) to extend the temporary concession on diesel duty for a further 9 months to 31 December 2000 (paragraphs 167-171 of the Budget speech); and
  - (b) to extend the first registration tax exemption for electric vehicles by a further 3 years to 31 March 2003 (paragraph 172 of the Budget speech).

5. Diesel duty was reduced from \$2.89 to \$2 per litre effective from 23 June 1998 and would, if not extended, revert to \$2.89 on 1 April 2000. If the proposal in the Bill is passed, the reversion will not take place until 1 January 2001.

6. The current exemption from first registration tax for electric vehicles would, if not extended, expire at midnight on 31 March 2000. It is now proposed that the exemption shall expire at midnight on 31 March 2003.

7. The Bill, if enacted, will commence retrospectively on 1 April 2000. However, its provisions have in effect already come into operation from that day by virtue of the Public Revenue Protection (Revenue) Order 2000 published as L.N. 70 on 24 March 2000 (LC Paper No. LS112/99-00).

### **Public Consultation**

8. As explained in the LegCo Brief, no formal consultation has been conducted for budget sensitivity reasons.

### **Consultation with LegCo Panel**

9. The policy aspects of the Bill have not been referred to any Panel for discussion.

### **Recommendation**

109. The legal and drafting aspects of the Bill are in order. Subject to Members' views on its policy aspect, the Bill is ready for Second Reading debate.

Prepared by

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