

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 1808/02-03  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/7/02/2

**Bills Committee on Revenue Bill 2003**

**Minutes of third meeting**  
**held on Tuesday, 20 May 2003, at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon HUI Cheung-ching, JP  
Hon CHAN Kam-lam, JP  
Hon SIN Chung-kai  
Hon Miriam LAU Kin-ye, JP  
Hon Emily LAU Wai-hing, JP  
Hon MA Fung-kwok, JP
- Members absent** : Hon Cyd HO Sau-lan  
Hon Andrew WONG Wang-fat, JP
- Public officers attending** : Financial Services and the Treasury Bureau  
  
Mr Martin GLASS  
Deputy Secretary  
  
Miss Erica NG  
Principal Assistant Secretary  
  
Mr Edward MAK  
Assistant Secretary

Department of Justice

Ms Monica LAW  
Senior Assistant Law Draftsman

Customs and Excise Department

Mr CHOW Kwong  
Assistant Commissioner

Mr HO Pei-lok  
Staff Officer

Transport Department

Ms Amy CHOW  
Principal Executive Officer

**Clerk in attendance** : Miss Becky YU  
Chief Assistant Secretary (1)1

**Staff in attendance** : Mr Stephen LAM  
Assistant Legal Adviser 4

Mrs Mary TANG  
Senior Assistant Secretary (1)2

Miss Mandy POON  
Legislative Assistant 4

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**I Meeting with the Administration**

(LC Paper No. CB(1) 1714/02-03(01) -- List of follow-up actions arising from  
the discussion on 16 May 2003  
LC Paper No. CB(1) 1714/02-03(02) -- Administration's response to  
CB(1) 1714/02-03(01))

The Committee deliberated (Index of proceedings attached at **Annex A**).

2. The Administration was requested to -
  - (a) advise on the charging effect, if any, of the draft Committee Stage amendments prepared by the Assistant Legal Adviser 4 with reference to past cases, such as the reduction of tariff for the Cross Harbour Tunnel and duty for fuel;
  - (b) consider including in the proposed amendments to new section 4E(2A) an exemption for additional first registration tax (FRT) if the value of the reinstalled vehicle accessories was less than those being replaced. To also advise on whether FRT was payable if used accessories of which FRT had already been paid were used for reinstallation; and
  - (c) seriously re-consider the counter-proposal put forward by the trade (i.e. a marginal tax system with marginal rates of 35%, 55%, 75% and 95% for the four tax bands). The Administration should illustrate with more examples where the adoption of the said marginal rates for individual tax bands would bring about a reduction of revenue compared to the situation before 5 March 2003.
3. Members agreed to advance the starting time of the next meeting on 23 May 2003 to 8:00 am.
4. There being no other business, the meeting ended at 12:50 pm.

Council Business Division 1  
Legislative Council Secretariat  
28 May 2003

**Proceedings of the meeting of the  
Bills Committee on Revenue Bill 2003  
Meeting on Tuesday, 20 May 2003, at 10:45 am  
in Conference Room A of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000000 - 001132	Chairman ALA4 Administration Ms Miriam LAU	Welcoming remarks and discussion on the proposed Committee Stage amendments (CSAs) prepared by ALA4 regarding the exemption from new FRT rates for vehicles of which deposits had been paid before the Budget Day (LC Paper No. LS110/02-03)	
001133 - 002012	Chairman Administration ALA4 Ms Miriam LAU Mrs Selina CHOW	Confirmation that registered distributors included parallel importers of vehicles	
002013 - 002616	Mr CHAN Kam-lam Mr HUI Cheung-ching Mr MA Fung-kwok Ms Emily LAU Ms Miriam LAU	Whether the proposed CSAs would set a precedent, giving rise to opportunities for abuse in future	
002617- 003201	Ms Emily LAU Ms Miriam LAU ALA4	The exemption would not apply to vehicles of which deposits had been paid before the Budget Day and first registration had been completed before the publication of the Revenue Ordinance 2003 in the Gazette	
003202 - 004224	Mr HUI Cheung-ching ALA4 Chairman Mr CHAN Kam-lam Mrs Selina CHOW Administration Ms Miriam LAU	The effect of proposed CSAs on future legislation on FRT increases; tax increases on alcohol as against FRT increases	

Time marker	Speaker	Subject(s)	Action required
004225 - 004650	Ms Miriam LAU Chairman Ms Emily LAU Mr CHAN Kam-lam Administration	Next meeting to be held on Friday, 23 May 2003, at 8:00 am	
004651 - 005542	ALA4 Chairman Administration Mrs Selina CHOW Ms Miriam LAU Mr SIN Chung-kai Ms Emily LAU	Charging effect of proposed CSAs with reference to past cases involving reduction in tariff	ALA4 to provide President's past ruling on the charging effect of CSAs to reduce tariff  The Administration to advise the charging effect, if any, of the draft CSAs with reference to past cases, such as the reduction of tariff for the Cross Harbour Tunnel and duty for fuel
005543 - 011157	Chairman Administration Ms Miriam LAU Mr MA Fung-kwok Mr CHAN Kam-lam Mrs Selina CHOW	Administration's response to the concerns raised at the meeting on 16 May 2003 (LC Paper No CB(1) 1714/02-03) Declaration of accessories fitted to vehicles after registration and liability of reinstalled vehicle accessories to FRT	The Administration to consider including in the proposed amendments to new section 4E(2A) an exemption for additional first registration tax (FRT) if the value of the reinstalled vehicle accessories was less than those being replaced. To also advise on whether FRT was payable if used accessories of which FRT had already been paid were used for reinstallation

Time marker	Speaker	Subject(s)	Action required
011158 - 012324	Chairman Administration Ms Miriam LAU Mrs Selina CHOW	FRT revenue before and after Budget announcement; reference to letter from the Experience Group on the car sales market after Budget announcement; the transaction prices of cars sold after Budget Day	The Administration to seriously re-consider the counter-proposal put forward by the trade (i.e. a marginal tax system with marginal rates of 35%, 55%, 75% and 95% for the four tax bands). It should illustrate with more examples where the adoption of the said marginal rates for individual tax bands would bring about a reduction of revenue compared to the situation before 5 March 2003
012325 - 013900	Chairman Administration Ms Emily LAU ALA4 Mrs Selina CHOW Ms Miriam LAU Mr MA Fung-kwok Mr SIN Chung-kai	Comparison of revenue between Government's and trade's proposals; charging effect of the trade's proposal of reducing the marginal rates to 35%, 55%, 75% and 95% for the four tax bands	
013901 - 014743	Chairman Administration Ms Emily LAU ALA4 Mrs Selina CHOW Ms Miriam LAU Mr SIN Chung-kai	Government's position on the trade's proposal; members' position on the Bill	