

立法會
Legislative Council

LC Paper No. CB(1) 2177/02-03

(These minutes have been seen
by the Administration)

Ref: CB1/BC/7/02/2

Bills Committee on Revenue Bill 2003

**Minutes of seventh meeting
held on Wednesday, 25 June 2003, at 8:00 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon HUI Cheung-ching, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon Miriam LAU Kin-ye, JP
Hon Emily LAU Wai-hing, JP
Hon MA Fung-kwok, JP
- Members attending** : Hon Fred LI Wah-ming, JP
Dr Hon LAW Chi-kwong, JP
- Public officers attending** : Financial Services and the Treasury Bureau

Mr Frederick MA
Secretary

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

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

I. Meeting with the Administration

(LC Paper No. CB(1) 2078/02-03(01) -- President's ruling on the Committee Stage amendments to be moved by the Bills Committee and Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
LC Paper No. CB(1) 2078/02-03(02) -- Paper provided by the Administration)

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

2. Apart from Ms Emily LAU who was opposed to any tax increases, all other members of the Bills Committee were in support of the new Committee Stage amendments (CSAs) proposed by the Administration to reduce the marginal tax rates to 35-65-85-100% for private cars and 35-65-85% for van-type light goods vehicles not exceeding 1.9 tonnes. They were however not agreeable to the proposal to reduce the tax rate for motorcycles to 37.5% and requested the Administration to further reduce the rate to 35% to bring it in line with the tax rates for the first band of other vehicles. The Bills Committee agreed to -

- (a) support the waiving of notice for the new CSAs proposed by the Administration so that these could be moved at the resumption of Second Reading debate on the Bill on 25 June 2003;

- (b) support the new CSAs as proposed by the Administration except for the tax rate for motorcycles; and
- (c) withdraw the CSAs to be moved by the Chairman on behalf of the Bills Committee except for the part regarding tax rate for motorcycles should the Administration refuse to lower it to 35%.

(Post meeting note: As the Administration subsequently agreed to reduce the tax rate for motorcycles and motortricycles to 35%, the CSAs to be moved by the Chairman and Mrs Selina CHOW were withdrawn. In consultation with the Chairman of the House Committee and with the approval of the President of Legislative Council, the requirement on the advance notice period for moving the new CSAs was waived and the Bill as amended by the Administration was passed on 25 June 2003.)

3. There being no other business, the meeting ended at 9:00 am.

Council Business Division 1
Legislative Council Secretariat
8 July 2003

**Proceedings of the meeting of the
Bills Committee on Revenue Bill 2003
Meeting on Wednesday, 25 June 2003, at 8:00 am
in the Chamber of the Legislative Council Building**

| Time marker | Speaker | Subject(s) | Action required |
|--------------------|---|--|------------------------|
| 000000 - 000602 | Chairman Administration | Administration's proposal to move new Committee Stage amendments (CSAs) to the tax rates pertaining to the Revenue Bill 2003 as set out in the LC Paper No. CB(1) 2078/02-03(02) | |
| 000603 - 000859 | Ms Emily LAU | Concern about late notice and non-compliance of legislative procedures | |
| 000900 - 000951 | Chairman | Sequence of events | |
| 000952 - 001003 | Ms Emily LAU | Need for LegCo Members to be informed prior to release of information to media and trade | |
| 001004 - 001429 | Administration | Course of action taken by the Administration | |
| 001430 - 001659 | Ms Emily LAU Chairman | Whether the new CSAs were proposed after the President of LegCo (PLC) had delivered her ruling on the charging effect of CSAs to be moved by the Chairman and Mrs Selina CHOW | |
| 001700 - 002106 | Chairman Mrs Selina CHOW Ms Miriam LAU | The trade's request for resumption of Second Reading debate on the Bill on 25 June 2003 | |
| 002107 - 002124 | Ms Emily LAU | Date of PLC's ruling | |
| 002125 - 002222 | Mr CHAN Kam-lam | Need to focus on the new CSAs rather than other minor details | |
| 002223 - 002305 | Administration | Arrangement on notification | |
| 002306 - 002556 | Chairman Mr MA Fung-kwok Administration | Basis upon which the revised marginal rates for the four tax bands of 35-65-85-100% were arrived at | |

| Time marker | Speaker | Subject(s) | Action required |
|--------------------|--|---|------------------------|
| 002557 - 002822 | Chairman Mr SIN Chung-kai | Support of the new CSAs and the waiving of notice as well as withdrawal of CSAs to be moved by the Chairman of the Bills Committee | |
| 002823 - 003224 | Chairman Ms Miriam LAU | Trade's reluctant acceptance of new CSAs based on need to stabilize car sales market | |
| 003225 - 003531 | Chairman Mrs Selina CHOW | Trade's acceptance of new CSAs and agreement on the withdrawal of CSAs to be moved by members | |
| 003532 - 003807 | Chairman Mr HUI Cheung-ching | Support of new CSAs and agreement on the withdrawal of CSAs to be moved by members | |
| 003808 - 004031 | Chairman Ms Miriam LAU Administration | Reduction on the tax rate for motorcycles from 37.5% to 35% | |
| 004032 - 004259 | Chairman Mr CHAN Kam-lam | Support of new CSAs and waiving of notice; agreement on the withdrawal of CSAs to be moved by members; and need to strike a balance between budget deficit and trade's interest | |
| 004300 - 004437 | Chairman Mr Andrew WONG | Support of reduction on tax rate for motorcycles from 37.5% to 35% | |
| 004438 - 004703 | Ms Emily LAU | Objection against any tax increase; Administration's prior release of information to media | |
| 004704 - 004805 | Administration | Affirmation that there was no prior release of information to media | |
| 004804 - 004857 | Chairman Mr SIN Chung-kai | Clarification on release of information to media | |
| 004858 - 005327 | Chairman Mrs Selina CHOW Ms Miriam LAU Dr David CHU | Support of reduction on tax rate for motorcycles from 37.5% to 35% on grounds of consistency | |

| Time marker | Speaker | Subject(s) | Action required |
|--------------------|---|--|---|
| 005328 - 005433 | Administration | Need to consult the Financial Secretary on members' request to reduce the tax rate for motorcycles from 37.5% to 35% | |
| 005434 - 005501 | Chairman Mr MA Fung-kwok | Agreement on the withdrawal of CSAs to be moved by members | |
| 005502 - 005548 | Ms Miriam LAU | Members' CSAs to reduce the tax rate for motorcycles to 35% should retain if the Administration refused to do so | |
| 005549 - 005654 | Mr SIN Chung-kai Mr Andrew WONG | Support of reduction on tax rate for motorcycles from 37.5% to 35% on grounds of consistency and members' CSAs to reduce the tax rate for motorcycles to 35% be retained should the Administration refuse to do so | |
| 005655 - 005728 | Ms Emily LAU Administration Chairman | Need for LegCo Members to be informed as soon as decision was reached | |
| 005729 - 010042 | Chairman Administration Mrs Selina CHOW | Bill Committee (BC)'s agreement to withdraw its CSAs, support of the new CSAs proposed by the Administration except for the tax rate of motorcycles which should be reduced to 35%, failing which BC would move CSAs to that effect and waiving of notice for the new CSAs | The Administration to consult the Chairman of House Committee and seek approval from the President of LegCo on the waiving of notice for the new CSAs |