

**Bills Committee on
Boundary Facilities Improvement Tax Bill**

**List of follow-up actions to be taken by the Administration
pursuant to the discussion on 2 July 2003**

- (1) Practicability of on-site collection of the Boundary Facilities Improvement Tax (BFIT) in view of the anticipated operational difficulties associated with the off-site collection mode.
- (2) Detailed analysis of the estimated additional revenue of about \$1 billion generated from imposing BFIT and the recurrent funding of \$55 million per year for collection and enforcement of the tax. The analysis should include the forecast on the cross-boundary passenger flows and vehicular flows at various border points and a breakdown of the expenses to be covered by Government's recurrent funding.
- (3) Detailed analysis of the impact of BFIT on the cross-boundary passenger flow of the Kowloon-Canton Railway and the fare income of the Kowloon-Canton Railway Corporation (KCRC) and hence Government's dividend income from KCRC, and to take this into account in estimating the additional annual revenue to be generated from BFIT. KCRC's own analysis of the impact on its fare income should also be provided.
- (4) Historical background to the differential fare structures between the domestic line and cross-boundary line of the East Rail, and to confirm whether the differences were originally attributed to a Government levy on the cross-boundary line fare and/or related charges in the past.