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60pc of ratepayers to pay 20pc more

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RATES

ABOUT two-thirds of ratepayers are to pay 20 per cent more, despite a cut in the overall rates charge from 5.5 per cent to an all-time low of 5 per cent.

The quarterly rate for a flat smaller than 752 square feet will rise \$87 to \$1,080.

Owners of bigger flats will have to pay \$2,553, while flats bigger than 1,075 sq ft will attract rates of \$5,892 a quarter.

The most generous rates concession goes to industrial premises, which will enjoy a 17 per cent rates drop to \$3,363 a quarter.

Offices, shops and commercial sites will save between \$36 and \$390 each quarter.

Financial Secretary Donald Tsang said the tax relief would strengthen Hong Kong's commercial status.

"Lower rates for business firms are another contribution to ensuring Hong Kong is as user friendly as possible to business, thus reinforcing our role as an international business centre," he said.

The lowest-ever rates were determined after consideration of the new burden of government rent, a new source of revenue after the handover, set

under the Joint Declaration. After the overall 0.5 per cent concession, rate payments for residential flats will rise 9.3 per cent, while rates on non-domestic premises will drop 3.4 per cent.

Mr Tsang said 28 per cent of ratepayers would pay the same or less than before, while 59 per cent would shoulder no more than a 20 per cent rise.

The rest would be due for bigger increases, but would pay a maximum of 20 per cent extra for the next two years under rate capping aimed at providing some relief.

Public housing tenants would pay \$588 every three months, but the effect would be absorbed by the rental adjustment.

Revenue from general rates in 1997-98 will remain at last year's level of \$6.3 billion, about 3 per cent of total government income.

The Urban Council and Regional Council, funded through rate revenue, would be given another \$0.9 billion to \$10.3 billion this year.

Residential flats would attract an average increase of 23 per cent in rates, while rates on non-domestic properties had risen 17 per cent in the past three years.