

12,000 in campaign to raise tax allowance

MORE than 12,000 people have signed in support of higher personal income tax allowance, on the first day of a three-day signature campaign.

The campaign, organised by the Hongkong Confederation of Trade Unions, calls for personal tax allowance to be increased by nearly 40 per cent from \$56,000 to \$78,000.

It also demanded that:

- The tax scale be widened with an aim of lowering the burden of middle-income earners;
- Corporate tax be increased by two percentage points;
- Property rates and fees for government services essential to the public be frozen.

A spokesman for the confederation said yesterday the signature campaign would continue until Tuesday in Central, Mong Kok and Causeway Bay.

The spokesman said the present personal tax allowance was out of touch with the rising cost of living.

"Under the present allowance level, a worker earning \$4,700 is required to pay tax," he said.

"The system has forced a great many low-income earners to fall into the tax net."

The spokesman reiterated that a "fair taxation system" should be capable of narrowing the gap between the poor and the rich.

He said the business sector should be able to pay two more percentage points in corporate tax without any hardship or discomfort.

Financial Secretary Hamish Macleod has been consulting major political parties and social groups on their expectation for the budget of the next fiscal year.

In March this year, Macleod raised the personal income tax allowance for the fiscal year 1993-94 by about 22 per cent from \$46,000 to \$56,000.

But Macleod has warned against expecting any drastic increase in personal tax allowance for the year 1994-95.