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Action body revives rates war

THE Government has again been urged to adopt new rateable values to keep in line with the actual rental movement.

The renewed call came yesterday from the Joint Associations' Action Committee representing more than 200 industrial, commercial, kaifong, building owners and tenants associations and other civic organisations.

The chairman of the committee, Mr S.K. Ngai, said the rental movement index compiled by the Rating and Valuation Department showed a mere 22.63 per cent increase on average in actual rental since 1972 when the last valuation took place.

Despite this, the department has reassessed property upward by an average of 80 per cent, he said.

"Both the rateable value for rates and the assessable value for property tax must be verified against the Government's own statistics to ensure that valuation reflects the real and actual rental movement figure according to the rental movement index compiled by the Rating and Valuation Department in the annual property review," Ngai said.

"The Government has proposed reducing the General Rate by 4.5 per cent to 7.5 per cent to gain a 25 per cent increase in revenue.

"Apparently, the Government has also noted that the actual increase in rentals as shown by the rental movement index.

"Therefore, the committee would urge the Government to adopt a new rateable value by adding an average of 22.63 per cent on the current rateable value, which was the actual increase in rental value," Ngai said.

Ngai pointed out that with the excessive increase in rateable value, the actual charges on property tax and Crown rent would rise even though their respective percentage rates remained unchanged.

"The public will not be satisfied with a change in the percentage rate, because the problem is the unreasonable assessable property value.

"Moreover, the rate may rise again in subsequent years and the total tax burden will even be higher. The public is not unaware of these eventualities."

The 12-member committee held a meeting on Thursday when all the participants slammed the "unreasonable reassessment of rateable values".