

Dear Accountancy Friends,

Our financial secretary is predicting a huge budget surplus this year; the allocation of the budget surpluses manifest to a society's values. Is it high time for some of the budget surplus to be spent on improving our society, not destroying it? I would like to listen to your views, kindly fill in the questionnaire below. We will analysis the results and voice out your valuable opinions.

1. Do you agree with the following measures to be taken in the coming budget in respect of salaries tax?

(1 = Agree, 2 = Disagree, 3 = No Comment)

- a) Refund 50% of the salaries tax with a cap of \$20,000 ____
- b) Exemption of the rates for 3 quarters with a cap of \$5,000 for each quarter ____
- c) Broadening the tax band from \$35,000 to \$40,000 ____
- d) Lowering the marginal tax rate for each tax band by 1% ____
- e) Increasing tax allowance for personal continuous education from \$60,000 to \$80,000 ____
- f) Providing tax allowance for payment of medical insurance premium ____
- g) Lowering the standard rate of salaries tax from 16% to 15.5% ____

2. Do you think we should have the following measures for our profits tax?

(1 = Agree, 2 = Disagree, 3 = No Comment)

- a) Lowering the tax rate ____
- b) Introducing progressive profits tax ____
- c) Introducing group relief ____
- d) Introducing carry back tax losses ____
- e) Reviewing the IRO and DIPN immediately ____
- f) Tax incentives for overseas enterprises with regional headquarter in Hong Kong ____
- g) Tax incentives for some industries, such as recycling industry and creative industry ____

3. If the government decides to increase the concurrent public expenditure, which of the following policy aspects do you think should have the first priority to get extra

resources? (Please rank this by using 1 to 7; 1= top priority, 7= least priority)

- a) Education ____
- b) Infrastructure ____
- c) Medical Service ____
- d) Social Welfare ____
- e) Improving business environment of Hong Kong ____
- f) Environmental protection ____
- g) Preservation of cultural heritage ____
- h) Increasing the elderly allowances to \$ 1000 per month ____

4. Do you think we should use part of the surplus to set up a special fund to meet the future resources needs for our aging population and poverty?

- a) Agree b) Disagree c) No Comment

Answer: ____

5. What amount do you think is a suitable level of the government's financial reserve?

- a) Less than 12 months of public expenditure.
- b) 12 months of public expenditure
- c) 15 months of public expenditure
- d) 18 months of public expenditure
- e) 24 months of public expenditure
- f) More than 24 months of public expenditure

Answer: ____

Please fill in the questionnaire before 18th February. I look forward to building up a better society with your generous assistance and support. For completed forms, please email to contactus@mandytam.com or fax to 2537 1425. Thank you very much for your cooperation.