

## Head 4 — MOTOR VEHICLE TAXES

### Details of Revenue

Sub-head (Code)	Actual revenue 2009–10	Original estimate 2010–11	Revised estimate 2010–11	<b>Estimate 2011–12</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
010 First registration .....	4,816,338	4,552,883	6,199,158	<b>7,493,607†</b>
Total .....	<u>4,816,338</u>	<u>4,552,883</u>	<u>6,199,158</u>	<u><b>7,493,607</b></u>

† After Budget revenue measures but subject to the passing of the relevant legislation by the Legislative Council.

### Description of Revenue Source

To this revenue head are credited the taxes for the registration of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330). Motor vehicle taxes are imposed on the first registration of certain classes of motor vehicles set out in the Schedule to the Motor Vehicles (First Registration Tax) Ordinance, including private cars, motor cycles, motor tricycles, goods vehicles, taxis, buses, light buses and special purpose vehicles. The tax rate is expressed as a percentage of the value of the vehicle and varies according to the class of motor vehicle specified in the Schedule.

Revenue from motor vehicle taxes generated 2.1% of total revenue in 2010–11.

### Underlying Changes in Revenue Yield

The 2010–11 revised estimate of \$6,199,158,000 is an increase of \$1,646,275,000 (36.2%) over the original estimate, which is mainly due to the higher than expected number of vehicles subject to first registration.

The 2011–12 estimate of \$7,493,607,000 is an increase of \$1,294,449,000 (20.9%) over the revised estimate for 2010–11. This mainly reflects the effect of the proposed increase in the first registration tax rates for private cars in the 2011–12 Budget.