

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2013–14	Original estimate 2014–15	Revised estimate 2014–15	Estimate 2015–16
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	8,338,007	8,127,405	10,089,374	10,335,247
Total.....	<u>8,338,007</u>	<u>8,127,405</u>	<u>10,089,374</u>	<u>10,335,247</u>

Description of Revenue Source

This revenue head covers 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 2.6% of total revenue in 2014–15.

Underlying Changes in Revenue Yield

The **2014–15** revised estimate of \$10,089,374,000 reflects an increase of \$1,961,969,000 (24.1%) over the original estimate. This is mainly due to the higher-than-expected number of vehicles subject to first registration.

The **2015–16** estimate of \$10,335,247,000 reflects an increase of \$245,873,000 (2.4%) over the revised estimate for 2014–15.