

## Head 4 — MOTOR VEHICLE TAXES

### Details of Revenue

Sub-head (Code)	Actual revenue 2000-01	Original estimate 2001-02	Revised estimate 2001-02	<b>Estimate 2002-03</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
010 First registration.....	3,025,308	3,407,233	2,744,106	<b>2,660,912</b>
Total .....	<u>3,025,308</u>	<u>3,407,233</u>	<u>2,744,106</u>	<u><b>2,660,912</b></u>

### 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 1.8% of general revenue in 2001-02.

### Underlying Changes in Revenue Yield

The **2001-02** revised estimate of \$2,744,106,000 is a decrease of \$663,127,000 (19.5%) against the original estimate. This is due to the lower than expected number of vehicles subject to first registration, as well as a decrease in the average tax payable for vehicles registered in 2001-02.

The **2002-03** estimate of \$2,660,912,000 is a decrease of \$83,194,000 (3.0%) against the revised estimate for 2001-02, due mainly to the continuing decrease projected in the average tax payable for vehicles to be registered in 2002-03.