

## Head 2 — GENERAL RATES

### Details of Revenue

Sub-head (Code)	Actual revenue 1998–99	Original estimate 1999–2000	Revised estimate 1999–2000	Estimate 2000–01
	\$'000	\$'000	\$'000	\$'000
010 Hong Kong and Kowloon (including New Kowloon) .....	3,374,134	4,100,000	5,320,000	<b>9,090,000</b>
020 New Territories .....	239,509	670,000	1,535,000	<b>4,820,000</b>
Total .....	<u>3,613,643</u>	<u>4,770,000</u>	<u>6,855,000</u>	<u><b>13,910,000</b></u>

### Description of Revenue Source

To this revenue head is credited the yield from General Rates levied on occupiers of all rateable premises under the Rating Ordinance (Cap. 116). The yield does not include rates revenue payable to the Provisional Urban and Regional Councils on or before 31 December 1999. Following the dissolution of the Provisional Urban and Regional Councils on 1 January 2000, all rates revenue received on or after 1 January 2000 is credited to this revenue head.

The relationship between General Rates and the Provisional Urban and Regional Council Rates can be illustrated as follows. The split percentages in 1999–2000 were applicable on or before 31 December 1999.

	Actual revenue 1998–99	Revised estimate 1999–2000	Estimate 2000–01
	\$'000	\$'000	\$'000
<i>Rates collectable under Cap. 116</i>			
General Rates (Head 2) .....	3,613,643	6,855,000	<b>13,910,000</b>
Provisional Urban Council Rates .....	4,663,904	3,250,000	—
Provisional Regional Council Rates .....	3,383,483	2,650,000	—
Total .....	<u>11,661,030</u>	<u>12,755,000</u>	<u><b>13,910,000</b></u>
	1998–99	1999–2000	2000–01
	%	%	%
<i>Percentage charges</i>			
General Rates for Hong Kong and Kowloon (including New Kowloon) .....	1.90	2.40	<b>5.00</b>
Provisional Urban Council Rates .....	2.60	2.60	—
Total .....	<u>4.50</u>	<u>5.00</u>	<u><b>5.00</b></u>
General Rates for New Territories .....	0.30	0.80	<b>5.00</b>
Provisional Regional Council Rates .....	4.20	4.20	—
Total .....	<u>4.50</u>	<u>5.00</u>	<u><b>5.00</b></u>

Revenue from General Rates generated 4.4% of general revenue in 1999–2000.

### Underlying Changes in Revenue Yield

The **1999–2000** revised estimate of \$6,855,000,000 represents an increase of \$2,085,000,000 (43.7%) on the original estimate. This is mainly attributable to the crediting of all rates revenue received on or after 1 January 2000 to this revenue head following the dissolution of the Provisional Urban and Regional Councils on 1 January 2000.

The **2000–01** estimate of \$13,910,000,000 represents an increase of \$7,055,000,000 (102.9%) on the revised estimate for 1999–2000. This is mainly attributable to the net effect of the rates rebate in 1999–2000, the crediting of all rates revenue received on or after 1 January 2000 to this revenue head following the dissolution of the Provisional Urban and Regional Councils on 1 January 2000, and the anticipated increase in the number of rateable premises. The estimate has also taken into account the effect of the General Revaluation of rateable values.