

Head 4 — MOTOR VEHICLE TAXES

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 First registration.....	2,236,876	2,299,982	2,554,200	2,809,620
Total	<u>2,236,876</u>	<u>2,299,982</u>	<u>2,554,200</u>	<u>2,809,620</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 rate of tax 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 1.6% of general revenue in 1999–2000.

Underlying Changes in Revenue Yield

The **1999–2000** revised estimate of \$2,554,200,000 is an increase of \$254,218,000 (11.1%) on the original estimate. This is mainly due to the higher than expected number of vehicles subject to first registration.

The **2000–01** estimate of \$2,809,620,000 is an increase of \$255,420,000 (10.0%) on the revised estimate for 1999–2000. This reflects an anticipated increase in the number of vehicles subject to first registration.