

## Head 4 — MOTOR VEHICLE TAXES

### Details of Revenue

Sub-head (Code)	Actual revenue 2001–02	Original estimate 2002–03	Revised estimate 2002–03	<b>Estimate 2003–04</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
010 First registration.....	2,675,596	2,660,912	2,604,635	<b>3,182,281†</b>
Total .....	<u>2,675,596</u>	<u>2,660,912</u>	<u>2,604,635</u>	<b><u>3,182,281</u></b>

† After Budget revenue measure 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 1.8% of general revenue in 2002–03.

### Underlying Changes in Revenue Yield

The **2002–03** revised estimate of \$2,604,635,000 is a decrease of \$56,277,000 (2.1%) against the original estimate.

The **2003–04** estimate of \$3,182,281,000 is an increase of \$577,646,000 (22.2%) over the revised estimate for 2002–03, mainly due to the proposed increase in first registration tax rates in the 2003–04 Budget.