

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2007–08	Original estimate 2008–09	Revised estimate 2008–09	Estimate 2009–10
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	5,552,874	5,570,100	4,823,695	4,080,832
Total	<u>5,552,874</u>	<u>5,570,100</u>	<u>4,823,695</u>	<u>4,080,832</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 total revenue in 2008–09.

Underlying Changes in Revenue Yield

The **2008–09** revised estimate of \$4,823,695,000 is a decrease of \$746,405,000 (13.4%) against the original estimate, which is mainly due to the lower than expected number of vehicles subject to first registration in 2008–09.

The **2009–10** estimate of \$4,080,832,000 is a decrease of \$742,863,000 (15.4%) against the revised estimate for 2008–09, which is mainly due to the projected continuing decrease in the number of vehicles subject to first registration in 2009–10.