

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2019–20	Original estimate 2020–21	Revised estimate 2020–21	Estimate 2021–22
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	7,218,830	7,382,000	6,114,000	6,369,000 †
Total.....	7,218,830	7,382,000	6,114,000	6,369,000

† After Budget revenue measures but subject to the passage of the relevant legislation.

Description of Revenue Source

This revenue head covers 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 1.4% of total revenue in 2020–21.

Underlying Changes in Revenue Yield

The **2020–21** revised estimate of \$6,114,000,000 reflects a decrease of \$1,268,000,000 (17.2%) against the original estimate. This is mainly due to the lower-than-expected number of vehicles subject to first registration.

The **2021–22** estimate of \$6,369,000,000 reflects an increase of \$255,000,000 (4.2%) over the revised estimate for 2020–21.