

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

| Sub-head (Code) | Actual revenue 2021–22 | Original estimate 2022–23 | Revised estimate 2022–23 | Estimate 2023–24 |
|-----------------------------|------------------------------|---------------------------------|--------------------------------|---------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 010 First registration..... | 6,166,841 | 6,773,000 | 4,768,000 | 4,768,000 |
| Total..... | 6,166,841 | 6,773,000 | 4,768,000 | 4,768,000 |

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 1.1% of total revenue in 2022–23.

Underlying Changes in Revenue Yield

The **2022–23** revised estimate of \$4,768 million reflects a decrease of \$2,005 million (29.6%) against the original estimate. This is mainly due to the lower-than-expected number of vehicles subject to payment of first registration tax and average tax collected per vehicle.

The **2023–24** estimate of \$4,768 million is the same as the revised estimate for 2022–23.