

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2022–23	Original estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	4,966,455	4,768,000	5,805,354	8,032,410
Total	<u>4,966,455</u>	<u>4,768,000</u>	<u>5,805,354</u>	<u>8,032,410</u>

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 1.3% of total revenue in 2023–24.

Underlying Changes in Revenue Yield

The 2023–24 revised estimate of \$5,805,354,000 reflects an increase of \$1,037,354,000 (21.8%) over the original estimate. This is mainly due to the higher-than-expected number of vehicles subject to first registration.

The 2024–25 estimate of \$8,032,410,000 reflects an increase of \$2,227,056,000 (38.4%) over the revised estimate for 2023–24. This is mainly due to the projected increase in the number of vehicles subject to first registration in 2024–25.