

Press release

LCQ13: Government rates and rent

Wednesday, March 17, 2010

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (March 17):

Question:

It has been reported that the Government had, in its Budgets in the past 10 years or more, only launched measures to waive rates, with no measure to waive Government rent. In this connection, will the Government inform this Council:

(a) of the respective current numbers of accounts that are required to pay Government rent only and those required to pay rates only, as well as those accounts which are required to pay both rates and Government rent at the same time;

(b) of the respective average amounts of quarterly rates and Government rent payable by residential units at present;

(c) what criteria it had adopted for deciding to launch in previous Budgets the measure to waive rates only without waiving Government rent at the same time; and

(d) whether the Government will, when launching the measure to waive rates in the future, consider afresh refunding Government rent to those accounts which are required to pay Government rent only?

Reply:

President,

(a) Currently, there are 139,000 accounts that are required to pay Government rent only and 817,000 accounts that are required to pay rates only. There are 1,494,000 accounts which are required to pay both rates and Government rent at the same time.

(b) For the financial year of 2010-11, the average amount of rates per quarter (before rates concession) for all domestic properties is \$894 and the average amount of Government rent per quarter for all domestic properties is \$480.

(c) & (d) Government rent is the rent paid by all property owners to the Government under land leases in return for the right to hold and occupy the land. Its nature is different from that of rates, which are a kind of tax. Therefore, it is not appropriate to compare the two. The Administration currently has no intention to extend the rates concession to Government rent.

Ends