

## **Press Release**

### **LCQ15: Payment of rates and Government rent**

Wednesday, November 15, 2017

Following is a question by the Hon Shiu Ka-fai and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (November 15):

Question:

At present, upon receiving a Demand for Rates and/or Government Rent (the Demand) issued by the Rating and Valuation Department (RVD), members of the public are required to pay rates or Government rent by the Last Day for Payment (the deadline) as shown on the Demand. An additional charge equivalent to 5 per cent of the arrears (surcharge) may be imposed for overdue payment and a further surcharge equivalent to 10 per cent of the arrears may even be imposed if the payment has been overdue for six months. Some members of the public have relayed to me that the interval between the receipt of the Demand and the payment deadline was often only about two weeks. They are worried that a surcharge will be imposed on them in the event that they fail to make payments by the deadlines as they have gone for a long trip abroad. In this connection, will the Government inform this Council:

- (1) of the respective average and shortest intervals between the dates of issuance of the Demand and the payment deadlines in the past three years;
- (2) whether RVD exercises discretion to waive the surcharges; if so, of the generally accepted explanations for late payment of rates or Government rent;
- (3) of the respective percentages of cases in which a surcharge of 5 per cent and 10 per cent were imposed in the relevant total numbers as well as the income from the surcharges, in each of the past five years; and
- (4) whether it will review and extend the payment period to facilitate payers to make payment; if so, of the details; if not, the reasons for that?

Reply:

President,

Rates and Government rent are collected quarterly by the Rating and Valuation Department (RVD) under the Rating Ordinance (Cap. 116) and the Government Rent (Assessment and Collection) Ordinance (Cap. 515) respectively. The "Last Day for Payment" falls on the last working day (excluding Saturday and public holiday) of the first month of each quarter, namely January, April, July and October. Where rates and/or Government rent are not fully paid by the "Last Day for Payment", the Commissioner of Rating and Valuation may add a surcharge of 5 per cent to the amount due. A further surcharge of 10 per cent will be imposed on any amount outstanding (including the 5 per cent surcharge already imposed) if the full payment is not made within six months from the original due date.

My reply to various parts of the Hon Shiu's question is set out below:

(1) The quantity of the quarterly Demands for Rates and/or Government Rent (Demands) issued by the RVD is huge. For example, over 2.2 million Demands were issued for the quarter from October to December 2017. Therefore, the RVD prints and sends the Demands by batches. In the past three years, there was an interval of at least 22 days between the date of issue of the Demands and the "Last Day for Payment". In general, payers receive the Demands on or before the tenth day of the payment month of each quarter and have ample time to settle the payment.

(2) and (3) The proportion of cases with a surcharge of 5 per cent and/or 10 per cent due to late payment of rates and/or Government rent over the past five years is as follows:

Year	2012/13	2013/14	2014/15	2015/16	2016/17
Total no. of Demands (million)	8.80	8.88	8.98	9.08	9.17
Percentage of cases where a surcharge of 5% was imposed	3.9%	4.3%	5.0%	4.5%	4.3%
Percentage of cases where a surcharge of 10% was imposed	Less than 0.1%	Less than 0.1%	Less than 0.1%	0.2%	0.1%

The RVD does not maintain a record of the annual income arising from surcharges and thus cannot provide the relevant information.

For late payment due to exceptional circumstances such as illness, moving homes and absence from Hong Kong, payers may apply to the RVD for waiver of the surcharge. The RVD will consider exercising discretion based on the individual merits of each case.

(4) Currently, the payment period for rates and Government rent is sufficiently long, and a vast majority of the public make their payments on time. Hence, the RVD has no plan to extend the payment period. In addition, the RVD encourages payers to settle rates and/or Government rent by autopay or with its free eRVD Bill service. Under the service, electronic bills are uploaded to users' accounts in the latter half of the month before the payment month of each quarter. This enables users to receive the quarterly Demands as early as possible even when they are abroad. Payers can also enquire about the rates and/or Government rent payable by visiting the RVD's website or calling the 24-hour Automated Telephone Enquiry Service (2152 2152) in the payment months.

Ends