



DAILY INFORMATION BULLETIN

Friday, December 29, 1972

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NEW SYSTEM OF ASSESSING SALARIES TAX

Provisional Salaries Tax To Be Introduced Under Bill

Hong Kong will have a new system of assessing salaries tax under which people will be assessed on their actual income in the current year rather than in the preceding year.

The change in the basis of assessment, recommended by the Inland Revenue Ordinance Review Committee, is contained in the Inland Revenue (Amendment) Bill 1973 published in the Gazette today for general information.

The bill seeks to implement the new system and introduce the payment of provisional salaries tax with effect from April 1 next year, as proposed by the Financial Secretary in his budget speech last March.

Under the Bill, the existing preceding-year basis of assessment will not be used for a final and conclusive assessment after the 1972-73 year of assessment. Starting with the 1973-74 year of assessment, every person chargeable to salaries tax will be liable to pay provisional tax which is to be charged on the net chargeable income of the taxpayer for the year preceding the year of assessment.

Commenting on this aspect of the Bill, a spokesman for the Inland Revenue Department explained that, in the first year of transition, the income of the year ending March 31, 1973 would be used provisionally to calculate the tax payable for the year 1973-74.

/When

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When the income for the year ending March 31, 1974 was returned a year later, he said, the final tax assessment would be made and the provisional payment set off against the tax assessed. The provisional tax for the current year will then be added to the amount payable.

Should any amount of provisional tax be then left over it will be refunded to the taxpayer, the spokesman said.

In the second and subsequent years, a new feature of the taxpayer's annual notice of assessment would be the adjustment required when tax assessed for a year was more or less than the provisional tax paid.

Notice

The spokesman said that, except possibly in the case of permanent cessation of employment, a taxpayer would receive only one salaries tax assessment notice each year, and all amendments due to changing relief circumstances in a year of assessment would be taken up and adjusted in the annual notice of final assessment for the preceding year and, the notice for payment of provisional tax for the current year, combined in one notice.

The Bill provides that if a taxpayer's actual income from a source for the year ending March 31, 1973 exceeds his assessed income for that year based on the year ending March 31, 1972 by more than 15 per cent, an additional assessment will be made on the excess over that fifteen per cent.

The Bill also provides that the excess amount will not be taxable if it is 15 per cent or less.

"This is to safeguard against the risk of avoidance of tax on any large scale by persons able to control their own scale of emoluments," the spokesman said.

/Where a taxpayer

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Where a taxpayer commences or ceases to be chargeable to salaries tax, an assessor may estimate the amount in respect of which that taxpayer is chargeable to provisional salaries tax.

If a couple marry and the wife's income becomes the income of the husband, then any provisional salaries tax paid by the wife on her income, for the period from the date of marriage to the end of the year of assessment, will be applied against the salaries tax payable by the husband for the year of assessment in which the marriage took place.

Provisions are also made to give relief to those taxpayers who have taken a period of unpaid leave in excess of 60 consecutive days between April 1971 and March 1973.

Adjustment

These taxpayers will be permitted to claim adjustment on a cessation basis because, due to the change in the basis of assessment, they could be put at a distinct disadvantage by becoming liable to pay a greater amount of tax in a year of assessment than they would normally have been liable to pay under the old previous-year system.

The Bill provides that notices for payment of provisional salaries tax can be issued separately or included in notices of assessment to final salaries tax.

A person can only object to a notice for payment of provisional salaries tax if his objection concerns the assessment of his net chargeable income for the previous year of assessment on which the provisional salaries tax is based.

/Provisions

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Provisions are also made for a person assessed to provisional tax to apply for at least a partial "stand over" of tax until he is due to pay salaries tax for the year of assessment if he can show that his net chargeable income will be considerably reduced.

The grounds for applying for a stand over are:

- * that the taxpayer has become entitled to an additional allowance for a wife, child or dependant parent since being assessed to provisional salaries tax.
- * that the taxpayer's net chargeable income in the year of assessment is, or is likely to be, less than 80 per cent of his net chargeable income on which the provisional salaries tax is charged.
- * that the taxpayer had ceased to become chargeable to salaries tax during the year of assessment.

One clause in the Bill amends the section in the Ordinance dealing with property tax on vacant premises, by providing for a reduction in property tax of $1/24$ th of the tax payable for each month the premises are unoccupied, instead of the whole $1/12$ th reduction as at present.

The Bill also contains a number of clauses not directly connected with the main proposals but which serve to update and strengthen the administrative procedures in the existing Ordinance.

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WAY PAVED FOR ENLARGED URBAN COUNCIL

Amending Bill Goes To Legco Shortly

A bill to increase the unofficial membership of the Urban Council from 20 to 24 will soon be presented to the Legislative Council.

The Urban Council (Amendment) Bill 1973 is designed to implement one of the recommendations in the White Paper on the Future of the Urban Council that the Council should be reconstituted with 12 elected and 12 appointed members.

At present, the Council has 10 elected and 10 appointed members.

The Bill, which is published in today's Gazette for general information, will make provision for the increase in the number of Unofficial members in time for the coming Urban Council elections to be held on March 7 next year.

The bill will also seek to amend a section of the principal Ordinance which requires the Governor to appoint members for a fixed period of four years and the amendment will enable the Governor to offer appointments for any period up to four years.

Explaining the bill, a government spokesman said that at present, the ten elected members retire by rotation and an election for five members takes place every two years.

The appointments of the appointed members are so arranged that the terms of office of five of them expire in alternate years, but not in the same years as those in which elections are held.

/Thus,

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Thus, unless members are re-elected or re-appointed there is a change of five members every year and a complete change of membership in a cycle of four years.

Although there will be 24 members in the reconstituted Urban Council, the spokesman said the four-year cycle will be retained, and, in future, six instead of five members will retire every year.

The coming election in March will be held to fill the vacancies caused by the expiration of the terms of five of the present elected members as well as the two new vacancies arising from the decision to create two additional elected seats.

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CAREER EXHIBITION OPENS AT CITY HALL

Job Satisfaction Is Answer To Youth Unrest, Says Tsui

Too many of Hong Kong's young people are drifting into jobs for which they are not suited, the General Manager of the Hong Kong and Shanghai Bank, Mr. M.G.R. Sandberg, said today.

This was leading to dissatisfaction and disillusionment among youth -- as well as serious loss of time and money to employers as a result of labour turnover, he said.

Mr. Sandberg, who is a member of the Hong Kong Labour Advisory Board, was speaking while officially opening the Labour Department's three-day Careers Exhibition in the City Hall Exhibition Hall this afternoon.

He said that all too often young people ended up in the wrong job simply because they lacked information and guidance, or did not try to plan their futures. They did not know what they wanted to be, so they just took the first job that came along.

"This careers exhibition is meant to provide information to young people who are on the point of choosing a career," he said. "I hope it will excite interest and be of use both to those who will soon have to choose jobs and to those who will be offering them."

Mr. Sandberg called on Hong Kong employers to do more to help their new employees in their introduction to working life. He said employers should be patient with young employees who might not be productive when fresh from school.

/He stressed

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He stressed the importance of providing training facilities for young workers, and making clear the opportunities for advancement.

He said: "It should be remembered that apart from the need to earn a living, an employee has needs which are emotional and psychological.

"He seeks, among other things, status, job satisfaction, and a sense of achievement. And, in my opinion, rightly so.

"Failure to recognise the existence of these needs is a cause of frequent labour turnover."

Job Satisfaction

The Commissioner for Labour, Mr. Paul Tsui, said in his speech he considered that job satisfaction was one of the best answers to unrest among youth. "A young man or woman who has a job he or she enjoys is a useful and productive member of the community and not a criminal or troublemaker," he said.

"But when you have a person who is a square peg in a round hole, you have trouble.

"Young people expect more these days. They have higher aspirations than their predecessors of some years ago.

"They do not feel that they should accept and be happy with any way of earning a living. They want jobs offering training opportunities and prospects for promotion.

"And they want jobs which match more closely their aspirations and individual talents.

"We see it as part of our job to see that square pegs end up in square holes.

/ "Our Youth

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"Our Youth Employment Advisory Service has been working towards this since 1968 by compiling a large series of pamphlets on various careers, by giving careers talks in the schools and by co-operating with the Hong Kong Association of Careers Masters and other organisations working in the field. The scope of the service's work is growing each year, and we hope it will continue to grow even more quickly in future.

"At the same time, the department's Apprenticeship Training Unit is working to solve Hong Kong's shortage of skilled labour by vigorously promoting apprenticeship schemes in industry and by putting prospective apprentices in touch with employers. And the Local Employment Service is continually placing people young and old in jobs.

Major Step

"Now we are taking a further major step in helping young people plan a happy and satisfying future for themselves by staging the Labour Department Careers Exhibition 1972.

"We hope that every student, young worker, parent and teacher in Hong Kong will try to see it."

The exhibition, the largest of its kind ever held in Hong Kong, and the first to be sponsored by the government, will be open from 9.30 a.m. to 7 p.m. tomorrow (Saturday) and from 9.30 a.m. to 5 p.m. on Sunday.

Some twenty exhibitors - divided into groups under general headings such as office work, creative work, and practical and technical work - will give details of entry qualifications, training, promotion possibilities, salaries and other benefits available in dozens of jobs ranging from automotive engineering to nursing.

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WIDE POWERS FOR POLICE TO PROBE COPYRIGHT OFFENCES

Copyright Bill 1973 Published

A new Bill will soon be introduced to the Legislative Council to give police and other authorised officers wide powers to investigate suspected offences under the new copyright legislation.

Government announced last week that the United Kingdom Copyright Act, 1956 would be applied to Hong Kong from January 1 next year.

A Government spokesman said today that the new Bill, the Copyright Bill 1973, would modify the U.K. Act and would give police and other officers authorised by the Director of Commerce and Industry wide investigating powers.

"Copyright in many articles used or sold in Hong Kong is owned by persons resident outside Hong Kong, and the Bill provides for the use of sworn statements (affidavits) which may be produced in court to establish the ownership of the copyright in any article," the spokesman added.

The U.K. copyright Act and the new Bill will provide more adequate protection to original works such as recordings, tape recordings, books, literary and artistic works as well as industrial designs.

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OVER 30,000 REGISTERED TO VOTE IN NEXT U.C. ELECTION

Poll Cards To Be Sent Out Soon

A total of 31,284 people have been registered to vote at the next Urban Council Election to be held on March 7.

The names of these registered electors, together with their electoral numbers and other details of address and identity, are contained in the new Final Register of Electors compiled by the Registration Officer and to be published tomorrow (December 30).

Announcing this, the Registration Officer, Mr. J.V.G. Mitchell, said that the new Register is in two volumes.

Volume I, in four parts, contains the names of those electors who are registered to vote at polling stations at King's College, the City Hall, the Hennessy Road Government Primary School and the North Point Government Primary School.

Volume II, in six parts, contains the names of those electors registered to vote at polling stations at the Kowloon Public Pier, the Queen Elizabeth School, the Kowloon Technical School, the Perth Street Government Primary School, the San Po Kong Government Primary School and the Kwun Tong Government Primary School.

The Final Register of Electors will be available for inspection at the Registration of Persons Office, Room 11 on the ninth floor of the Causeway Bay Magistracy Building during office hours on every week day as from tomorrow.

/Copies of

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Copies of the Register will also be on sale, at \$45 per volume, at the Government Publications Centre, Star Ferry Concourse, or at the Registration of Persons Office.

Mr. Mitchell explained that the last Register, published on December 31, 1970, remains legally valid until January 14, 1973, after which the new Register, to be published tomorrow, will supercede it and will remain legally in force until January 14, 1975.

Preparation of the next Provisional Register, from which the next Final Register is compiled, will commence on February 15, 1974.

"This means that only those persons whose names appear in the new Final Register will be eligible to vote at the forthcoming election to be held next March. Any person who may be eligible but who has not been registered cannot apply for registration as an elector before February, 1974," Mr. Mitchell added.

The Registration Officer also said that he will be posting to every elector a Poll Card bearing his or her electoral number.

These cards are designed to assist voters on election day, since their production to the Polling Officers together with the electors' Hong Kong Identity Card, or some other form of identification, will readily identify the holders and enable them to obtain a ballot paper with the minimum of delay.

The Poll Cards will be posted before the end of February next and electors are urged not to mislay them.

Electors are also reminded to keep the Registration of Persons Office informed of any changes of address so that Poll Cards can be posted to their correct address.

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MORE SITTING-OUT AREAS ON H.K. ISLAND

In Thickly Populated Areas

Three new sitting-out areas and additional picnic facilities have been completed on Hong Kong Island as part of the Urban Council's plan to provide recreational facilities in densely populated areas and to develop rural areas into picnic spots.

The three rest gardens are situated in Causeway Bay, Shau Kei Wan and the Western District.

Each of the gardens has an area of about 3,000 square feet, and their total construction cost is \$86,000.

The Tung Lo Wan Road rest garden, located at the junction of Tung Lo Wan Road and Tai Hang Road, is provided with garden benches and large planting areas.

For local interest, the old shrine at the garden site has been retained and renovated.

Situated at the junction of Shau Kei Wan Road and Chai Wan Road, the Shau Kei Wan rest garden is partly concrete-paved, while the rest of the area is planted with flowers and shrubs. Concrete benches are provided near the planting areas.

The Sung Hing Lane rest garden is situated in the most crowded part of the Western District between Queen's Road West and Des Voeux Road West, and is provided with flower beds and benches.

/A rest garden

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A rest garden has also been built in a section of the Chung Hom Kok Park next to the Cheshire Home. Park benches and picnic tables for picnic meals are provided.

More barbecue pits have also been constructed at the Old Gun Post Lookout on the southern tip of Chung Hom Kok for picnickers.

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BUILDINGS DECLARED DANGEROUS IN WESTERN

The Building Authority today declared No. 13 North Street, Western District, to be in a dangerous condition and No. 15 North Street liable to become dangerous.

In a statement issued this morning, the Principal Government Building Surveyor said that these four storey pre-war buildings have been under observation for some years and were recently re-inspected when it was found that the party wall between Nos. 11 and 13 and the rear wall were badly fractured and there is a risk of collapse.

It is considered that due to fractures in the rear wall, No. 15 is liable to become dangerous during or after the demolition of No. 13.

Notices of intention to apply for Closure Orders in Victoria District Court at 9.30 a.m. on January 26, 1973 were posted today.

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RATING PRACTICES TO BE IMPROVED

Rating Bill 1973 Published For Information

New legislation is being introduced to improve rating practices in Hong Kong and to implement a number of proposals concerning rates made by the Financial Secretary in his Budget speech last March.

The Rating Bill 1973, published in today's Gazette for general information, seeks to repeal and replace the existing Rating Ordinance which has basically remained unchanged for eighteen years.

The major objectives of the Bill are:

- * to reduce the rate charge in the urban areas from 17 to 15 per cent as from April 1, 1973.
- * to allow a refund of only half the rates paid on vacant premises, instead of a full refund as at present, and
- * to provide for part of the urban rates to be paid to the reconstituted Urban Council to enable it to carry out its functions.

Commenting on the proposed new provisions, the Commissioner for Rating and Valuation, Mr. R.A. Fry, said the proposal to lower the rates charged in the urban areas was "to help cushion the higher rateable values resulting from this year's revaluation."

In those parts of the New Territories -- mainly Tsuen Wan and Kwai Chung -- presently assessed to rates, the standard rate of 11 per cent would remain for the time being, he added.

/Referring

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Referring to the proposal to refund only half the rates paid on unoccupied premises, Mr. Fry said that a concession has been included in the case of newly erected building which would not be assessed to rates for an initial period of six months following completion, unless they were occupied earlier.

"In addition," he said, "where land (without buildings) is vacant or premises are unoccupied because of a Government order, it is proposed to continue to refund rates in full."

Mr. Fry explained that in connection with the reconstitution of the Urban Council, it had not yet been resolved what percentage of the rates would initially be allotted to the Council.

Important Feature

Mr. Fry noted that an important feature in the Bill was the introduction of what is known as "tone of the list" in respect of the assessment of new premises.

"This means that when new premises are assessed to rates the rateable value must be in line with, and not exceed, the general level of values of comparable premises already assessed to rates and included in a valuation list in force," he explained.

He added: "Thus, if rents continue to rise, the assessments of new premises will not be above the existing general level, and new ratepayers will not have to bear an undue proportion of the rate burden."

Under the Bill, people who do not agree with the assessments will have two avenues of appeal.

/They can

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They can first lodge formal proposals and objections with the Rating and Valuation Department, but if they are still not satisfied they will have the right of appeal to the District Court.

The Bill also contains a number of minor changes to update rating practice and strengthen administrative procedures.

These include provisions for a longer period of time to ratepayers in which to submit returns, and for claims for refund of rates to be made up to twelve months after such rates are payable instead of the existing 15-day limit following the end of the quarter.

Provisions are also made for a general increase in the amount of fines which may be imposed under the ordinance, but the provisions for imprisonment which applied in certain cases have been removed.

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REPROVISIONING SCHEME FOR SHOPKEEPERS MOST REASONABLE

Every Means Tried To Ease Possible Hardship

A Resettlement Department spokesman said today that the reprovisioning scheme for the 44 shopkeepers affected by the first stage of the Shek Kip Mei Rehousing Scheme was the most reasonable worked out by Government.

The Resettlement Department had tried every possible way to ensure that the shopkeepers did not run into hardship.

The spokesman said that the reprovisioning scheme involved a foot-for-foot exchange as well as rent rebates.

The rebate was to relieve any transitional difficulties that might arise in the initial period when tenants moved from Shek Kip Mei to Pak Tin.

For those who want to terminate their business, they can apply for cash compensations which range from \$8,100 for a half-bay shop to \$20,000 for a 2-bay shop.

The spokesman said that this rate of compensation was more favourable than those awarded to shop tenants in the private sector under the Exclusion Order.

Shopkeepers taking up the reprovisioning offer will enjoy rent rebate of 50 per cent for the first year and 25 per cent for the second.

He said that even without any rebate the rent for Pak Tin shops were low compared with those for shops in the private sector in the neighbourhood.

"The rent rebate only reflects Government's sincere wish to help the Shek Kip Mei shopkeepers to re-establish themselves at Pak Tin during the initial period," the spokesman said.

/Commenting

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Commenting on the shopkeepers' claim that they were given market stalls instead, the spokesman pointed out that those were shop units in the commercial complex of Pak Tin with a wider frontage than their existing shops in Shek Kip Mei.

He reiterated it was not possible to allow the shop tenants to return to their shops in Shek Kip Mei after the conversion. This was because the population density would have to be reduced and the smaller population would not be able to sustain the existing number of shops.

About half of the 44 shop tenants involved in the first phase have applied for reprovisioning. The closing date for application is Wednesday, January 3, 1973.

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TWO ILLEGAL MULTI-STORY BUILDINGS IN KOWLOON

Construction Halted By P.W.D.

The Public Works Department took action today to halt the construction and occupation of two unfinished and unoccupied illegal multi-storey buildings in Kowloon.

The two buildings are:-

57/59 Tung Tsing Road and

40A Tung Tau Tsuen Road

The buildings are near, but not part of, the Kowloon Walled City.

Commenting on the announcement, a Government spokesman said that action had been taken under Section 6 of the Crown Land Ordinance 1972. The buildings are being erected on Crown land and the developers have no entitlement to the land. Nor have they submitted building plans for approval.

"We hope that by stopping the development of these buildings members of the public will be protected and developers and landlords will be warned against erecting and selling illegal property", he said.

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CLOSURE ORDER LIFTED ON 2 BLOCKS OF PO SHAN MANSIONS

The Building Authority has announced that the closure order on Po Shan Mansions, Blocks A and B, Nos. 10-16 Po Shan Road was raised today.

In a statement issued this afternoon, the Principal Government Building Surveyor said that certain specified works including the erection of a temporary steel staircase had been completed under the supervision of an authorised architect and he was now satisfied that the two blocks were no longer liable to become dangerous.

A notice of the expiry of the closure order was posted on these premises at 5.00 p.m. today.

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Release time: 7.45 p.m.