



# DAILY INFORMATION BULLETIN

TUESDAY, APRIL 27, 1976

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TAX EVADERS STEAL FROM THE COMMUNITY - SAYS THE COMMISSIONER  
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+THE DOLLAR OF TAX EVADED IS NOT A LOSS TO THE INLAND REVENUE DEPARTMENT OR TO THE HONG KONG GOVERNMENT, BUT IS A DOLLAR STOLEN FROM THE COMMUNITY,+ COMMISSIONER OF INLAND REVENUE, MR. R.V. GIDDY, TOLD A ROTARY CLUB LUNCHEON MEETING TODAY (TUESDAY).

AS A RESULT OF TAX EVASION, MR. GIDDY POINTED OUT THAT EITHER DESERVING PROJECTS HAVE TO BE SHELVED, OR TAX RATES HAVE TO BE RAISED, AND THE BURDEN WOULD BE SHIFTED FROM THE DISHONEST PERSON TO THE HONEST TAXPAYER.

TALKING ABOUT THE EXTENT OF TAX EVASION IN HONG KONG, HE DESCRIBED THE AMOUNT AS +VERY SUBSTANTIAL+ AND +HIGHLY UNACCEPTABLE+. HE WENT ON TO REVEAL THAT IN 1975-76, THE INVESTIGATION BRANCH OF THE INLAND REVENUE DEPARTMENT FINALISED 77 CASES, AND THE AVERAGE UNDERSTATEMENT OF PROFITS PER CASE CAME TO \$600,000 - OR 74 PER CENT OF THE PROFITS WHICH SHOULD HAVE BEEN RETURNED.

THE COMMISSIONER SAID THAT EVASION IS PRACTISED IN TWO WAYS. IN ONE, THE TAXPAYER FILES FALSE RETURNS, AND IN THE OTHER, HE SIMPLY FILES NO RETURNS AT ALL, IN THE HOPES THAT HE WILL NOT BE FOUND OUT. MR. GIDDY STRESSED THAT BOTH FORMS OF EVASION ARE AGAINST THE LAW.

+WE ARE TODAY GETTING MORE AND MORE PEOPLE INTO THE TAX NET. HOWEVER, I BELIEVE THAT AS A RESULT OF THE SUBSTANTIAL INCREASE IN RECENT YEARS OF INCOMES IN HONG KONG, THAT THERE IS STILL A LARGE BODY OF PERSONS CROSSING THE TAX THRESHOLD WHO SEEM TO THINK THAT TAX IS SOMETHING WHICH HAS NOTHING TO DO WITH THEM,+ HE POINTED OUT.

TO TACKLE THIS, THE COMMISSIONER SAID, HIS DEPARTMENT IS CURRENTLY EMBARKING ON A CAMPAIGN ENCOURAGING PEOPLE WITH INCOMES THAT COULD MAKE THEM LIABLE TO TAX TO COME FORWARD AND DECLARE THEIR EARNINGS.

APART FROM THIS PERSUASIVE APPROACH, THE INLAND REVENUE DEPARTMENT STARTED A PHASED ANTI-TAX EVASION CAMPAIGN LAST YEAR, WHEN THE MAXIMUM FINES AND PENALTIES FOR EVASION, BOTH FOR FALSE RETURNS AND FAILURE TO FILE RETURNS, WERE SUBSTANTIALLY INCREASED. THE LAW WAS ALSO AMENDED TO FACILITATE OFFICERS OF THE DEPARTMENT IN OBTAINING NECESSARY INFORMATION TO PURSUE INVESTIGATIONS, MR. GIDDY SAID.

+PHASE TWO CONSISTED OF ENCOURAGING PERSONS WHO HAD BEEN GUILTY OF EVASION IN THE PAST TO COME FORWARD AND MAKE A FULL VOLUNTARY DISCLOSURE OF THE UNDERSTATEMENTS AND OMISSIONS,+ HE CONTINUED.

/PRACTISING .....

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PRACTISING ACCOUNTANTS WERE ALSO GIVEN GUIDELINES ON THE CALCULATION OF THE OMISSIONS WHERE PROPER BUSINESS RECORDS HAD NOT BEEN KEPT.

MR. GIDDY REMARKED THAT SUCCESS OF THE ABOVE TWO PHASES RELIED VERY MUCH ON THE EXPANSION OF THE ANTI-EVASION SECTIONS OF THE DEPARTMENT. +THE TOTAL AUTHORIZED STRENGTH OF THE INVESTIGATION SECTION IS AT THE MOMENT 35 AND EVEN THEN IT HAS NOT BEEN UP TO FULL STRENGTH,+ CITED THE COMMISSIONER.

HE EXPRESSED THE HOPE THAT BOTH THE INVESTIGATION SECTION AND THE OUTDOOR INSPECTION SECTION WOULD BE GRADUALLY BUILT UP TO THE EXTENT THAT THE NEXT FEW YEARS WOULD SHOW INCREASED ACTIVITY IN THE CONTROL OF TAX EVASION.

THE COMMISSIONER ALSO BELIEVED THAT PROSECUTION OF SUITABLE CASES THROUGH CRIMINAL PROCEDURES WOULD HAVE A DETERRENT EFFECT ON WOULD-BE EVADERS.

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PARTIAL CLOSURE OF ROBINSON ROAD  
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A SECTION OF ROBINSON ROAD BETWEEN PARK ROAD AND THE ACCESS ROAD LEADING TO 105, ROBINSON ROAD WILL BE CLOSED TO VEHICULAR TRAFFIC FOR ABOUT TWO MONTHS WITH EFFECT FROM 10 A.M. ON FRIDAY (APRIL 30).

THE TEMPORARY CLOSURE IS TO FACILITATE THE CONSTRUCTION OF WATER WORKS.

AT THE SAME TIME, THE SECTION OF ROBINSON ROAD BETWEEN OAKLANDS AVENUE AND THE ACCESS ROAD LEADING TO 105, ROBINSON ROAD WILL BE RE-ROUTED TWO-WAY TO PROVIDE ACCESS TO AND EXIT FROM PREMISES ON THIS SECTION OF THE ROAD.

TRAFFIC SIGNS WILL BE PUT UP TO GUIDE MOTORISTS.

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RENT INCREASES REVIEWED

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TENANTS OF 201 SMALL DOMESTIC FLATS IN TWO WAN CHAI BUILDINGS HAVE HAD THEIR RENT INCREASES CUT BACK BY AN INDEPENDENT RENT TRIBUNAL PANEL.

THE FLATS ARE SITUATED IN KAM KWOK BUILDING AND NATIONAL BUILDING, WAN CHAI, WITH MONTHLY RENTS VARYING FROM \$230 TO \$740.

COMMENTING ON THE TENANTS' SUCCESSFUL APPLICATIONS, THE COMMISSIONER OF RATING AND VALUATION TODAY SAID THAT THE INCREASES ORIGINALLY CERTIFIED RANGED FROM A FEW DOLLARS UP TO \$144 PER MONTH, DEPENDING ON THE CIRCUMSTANCES OF THE INDIVIDUAL TENANCY.

HOWEVER, THE THREE-MAN PANEL, HAVING VIEWED THE PREMISES AND CONSIDERED WRITTEN REPRESENTATIONS FROM LANDLORDS AND TENANTS, DECIDED TO REDUCE THE COMMISSIONER'S FIGURES BY AMOUNTS VARYING FROM \$1 TO \$57 PER MONTH. IN SIX CASES, THE COMMISSIONER'S ORIGINAL FIGURE WAS UPHELD.

THE GROUNDS OF APPEAL PUT FORWARD BY THE TENANTS INCLUDED THE FREQUENCY OF INCREASES DURING THE PAST FEW YEARS, THE POOR STATE OF REPAIR OF THE PREMISES AND INADEQUATE MANAGEMENT.

DETAILS OF THE RENTAL ADJUSTMENTS APPROVED BY THE RENT TRIBUNAL PANEL HAVE BEEN DESPATCHED BY POST TO THE TENANTS.

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DEATH SENTENCE COMMUTED

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THE GOVERNOR, AFTER TAKING INTO CONSIDERATION THE ADVICE OF THE EXECUTIVE COUNCIL, HAS DECIDED THAT THE DEATH SENTENCE PASSED ON OCTOBER 22, 1975 ON LAM TAO SHOULD BE COMMUTED TO LIFE IMPRISONMENT.

LAM WAS FOUND GUILTY OF THE MURDER OF LEE CHUI YIN.

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WELFARE PREMISES IN LAI YIU ESTATE

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THE SOCIAL WELFARE DEPARTMENT IS NOW INVITING VOLUNTARY WELFARE ORGANISATIONS TO APPLY FOR PREMISES RESERVED FOR WELFARE PURPOSES IN THE LAI YIU ESTATE IN HA KWAI CHUNG, TSUEN WAN.

A UNIT OF ABOUT 3,000 SQUARE FEET, INTENDED FOR A NURSERY, IS AVAILABLE ON THE GROUND FLOOR OF BLOCK 3 OF THE ESTATE. ANOTHER UNIT WITH ABOUT 5,000 SQUARE FEET SUITABLE FOR CHILDREN AND YOUTH CENTRES IS RESERVED ON THE FOURTH FLOOR OF THE COMMERCIAL COMPLEX.

RENT IS CHARGED AT 50 CENTS PER SQUARE FOOT, EXCLUSIVE OF RATES.

WHEN COMPLETED IN JUNE THIS YEAR, THE ESTATE WILL BE ABLE TO HOUSE 19,100 PEOPLE.

APPLICATION FORMS AND FURTHER INFORMATION ARE OBTAINABLE FROM THE PLANNING AND DEVELOPMENT UNIT OF THE SOCIAL WELFARE DEPARTMENT IN LEE GARDENS, HONG KONG.

APPLICATION SHOULD BE MADE BEFORE MAY 28, 1976 AND INCLUDE THE NATURE OF THE PROPOSED PROJECT, THE SPACE REQUIRED, THE NUMBER AND LEVEL OF STAFF AND FINANCIAL RESOURCES.

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