

Progressive rates for domestic tenements proposed in 2024-25 Budget

According to the Budget delivered today (February 28), the Government will implement the progressive rating system for domestic tenements proposed in the 2022-23 Budget in accordance with the "affordable users pay" principle, which shall take effect from the fourth quarter of 2024-25 (i.e. January – March 2025 quarter). The Government will introduce legislative amendments into the Legislative Council (LegCo) in the first half of this year. The proposal is estimated to contribute to an increase of about \$840 million in government revenue annually after implementation.

The Government presented details of the proposed system and the implementation timetable to the LegCo Panel on Financial Affairs in 2022, and received general support from the Members. According to the proposed progressive rating system for domestic tenements –

- For domestic tenements with rateable value of \$550,000 or below, rates will continue to be charged at 5 per cent of the rateable value.
- For domestic tenements with rateable value over \$550,000, rates will be charged at 5 per cent of the rateable value on the first \$550,000 and at 8 per cent of the rateable value on the next \$250,000, and then at 12 per cent on the portion of rateable value exceeding \$800,000.

About 1.9 per cent of all private domestic tenements (including separately assessed domestic car parking tenements), or around 42 000 tenements, will be subject to progressive rates, whereas the remaining 98 per cent will not be affected. For a domestic tenement subject to progressive rates, the payer concerned will be notified in April accordingly. Starting from the January to March 2025 quarter, the Rates and/or Government Rent demand will also show the calculation of progressive rates payable applicable to that quarter.

For details of the progressive rating system, members of the public may visit the website of the Rating and Valuation Department (RVD) (www.rvd.gov.hk). The 2024-25 rateable value of a tenement will be shown on the Rates and/or Government Rent demand for the April to June 2024 quarter to be issued in early April, or be available for inspection free of charge on the RVD website or its Property Information Online website (www.rvdpi.gov.hk) from late March until May 31. Members of the public can also use the Rates and Government Rent Calculator on the RVD website to estimate the amount of rates (including progressive rates where applicable) and/or Government rent payable for the latest three years of assessment. Enquiries can be made on the department's 24-hour hotline 2152 0111 (handled by 1823).