

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0199)

Head: (76) Inland Revenue Department
Subhead (No. & title): ()
Programme: (1) Assessing Functions
Controlling Officer: Commissioner of Inland Revenue (TAM Tai Pang)
Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the programme that the Inland Revenue Department (IRD) raises revenue through taxes, duties and fees in accordance with the relevant legislation in a cost-effective manner. In this regard, please advise this Committee on:

- a. the estimated expenditure for the development and continuous maintenance of the electronic service platform, eTAX;
- b. the respective numbers of personal accounts and business accounts registered on eTAX in the past 5 years since its launch by the IRD;
- c. the reasons for the increase in the cost of processing assessments, as shown by an estimated increase in provision per profits tax assessment from \$919 in 2023/24 to \$974.5 in 2024/25 and an estimated increase in provision per salaries tax assessment from \$197.9 in 2023/24 to 212.5 in 2024/25, despite the IRD's wide adoption of information technology and the wide adoption of electronic filing of tax returns and electronic payments among the public nowadays.

Asked by: Hon KWOK Ling-lai, Lillian (LegCo internal reference no.: 25)

Reply:

- a. The Inland Revenue Department (IRD) launched eTAX in January 2008 to provide a wide range of e-services for taxpayers. Enhanced and additional features and services were introduced over the years. The annual development expenditure for the e-Tax system in recent years is mainly related to the enhancement of e-filing services in order to implement new tax measures. Besides, continuous maintenance of the eTAX system is necessary to ensure smooth functioning of the system. The maintenance work includes system monitoring, software upgrade, security management and other services which are essential for the operation of the eTAX system. For the financial year 2024-25, the estimated expenditure for the development and continuous maintenance of the eTAX system is \$8 million.

- b. eTAX Portal of the IRD only accepts registration of account by individuals to handle tax matters relating to individuals, properties or businesses. The numbers of eTAX accounts for the past five years are as follows: -

	Number of eTAX accounts (Note)
2019-20	981 000
2020-21	1 095 000
2021-22	1 212 000
2022-23	1 335 000
2023-24 (as at 29 February 2024)	1 483 000

Note: Rounded to the nearest thousand.

- c. The increase in the provision per profits tax assessment and salaries tax assessment is mainly attributable to the salary increments and increase in the expenditure for developing and further upgrading the computer systems.

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