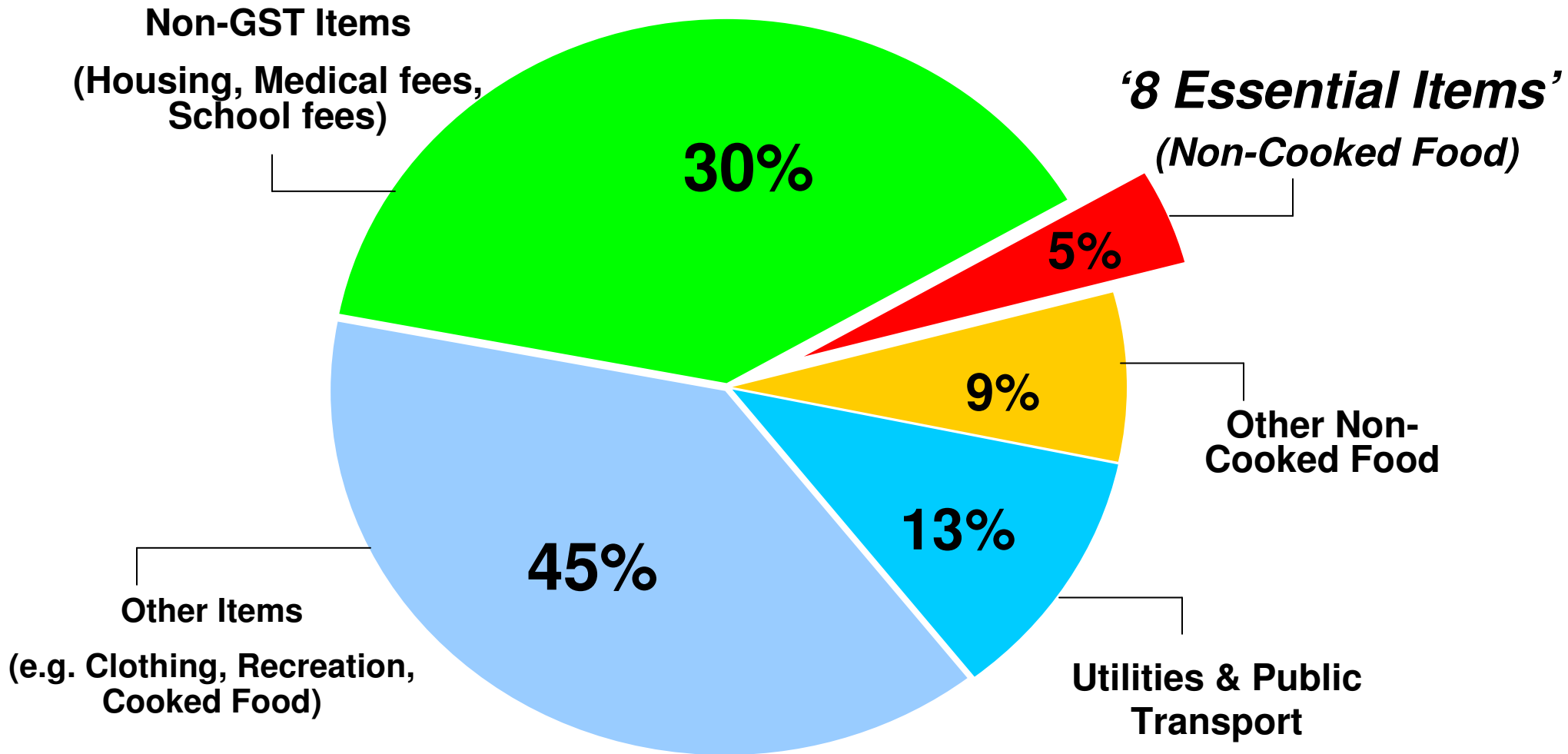


# Expenditure of Low-Income Households

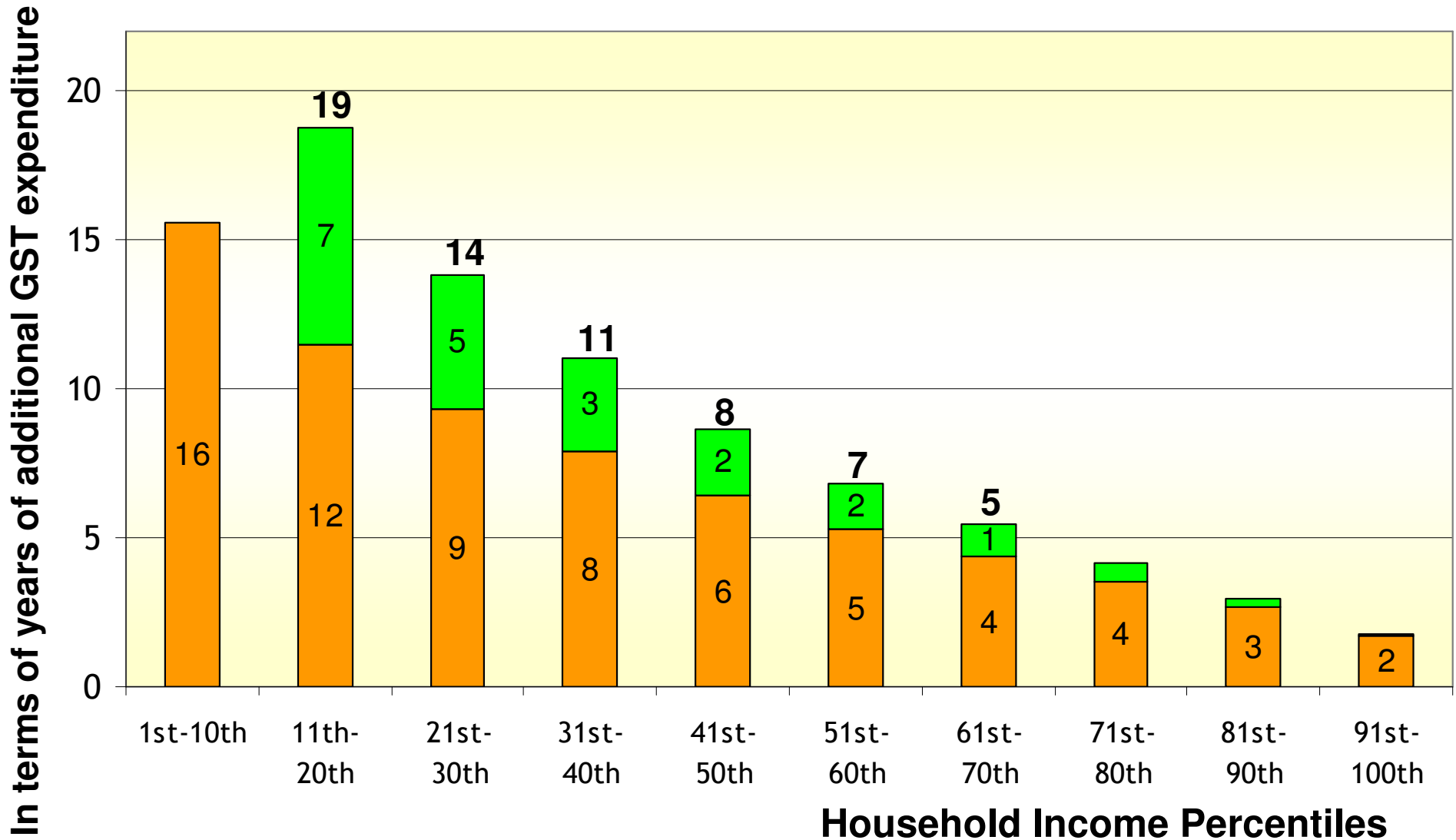


\*Source: Household Expenditure Survey 2002/2003

- Lower-income households refers to those in the lowest 20%, based on ranking of all households by their total household income from all sources

- 8 essential items include: rice, salt, sugar, edible oil, soya sauce, vegetable, flour and fish

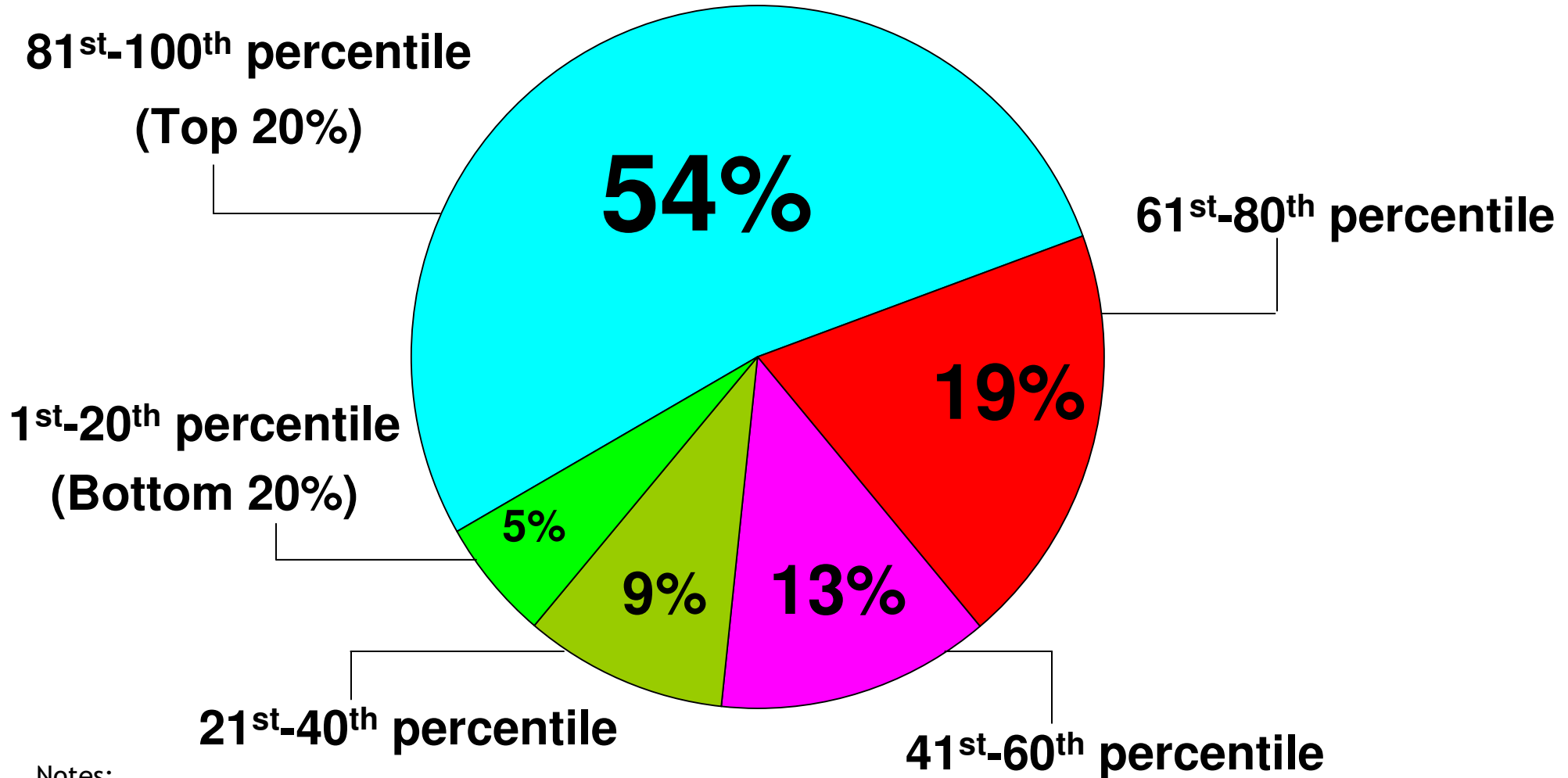
# Household Benefits from GST Offsets and Workfare



- Notes:
- More than half of 1st-10th percentiles of citizen households are retiree households for whom Workfare is not applicable
  - GST offsets include only GST Credits, Senior Citizens' Bonus, U-Save rebates, Service & Conservancy Charges rebates, rental rebates, property tax rebates and Top-ups to Post-Secondary Education Account (PSEA)

# A Progressive Tax System

Contribution to Total Tax Collection by Household Income

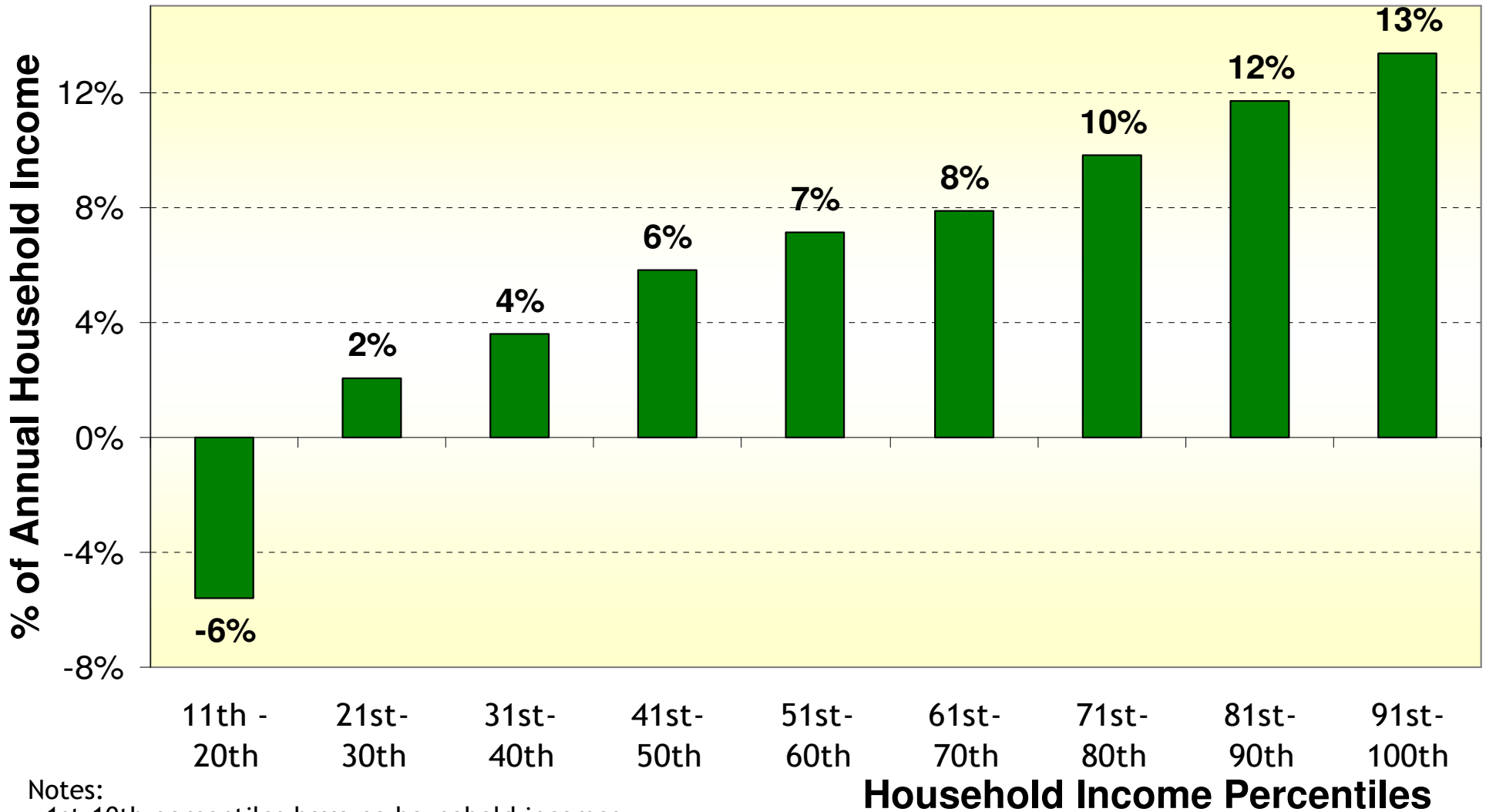


Notes:

- Only employed resident households are included
- Total Tax includes Personal Income Tax, Car related taxes, GST, Cess, Tobacco tax, Alcohol tax, Water conservation tax, Property tax, Foreign Maid Levy

# A Progressive Tax System

Total Tax (less GST offsets and WIS benefits)

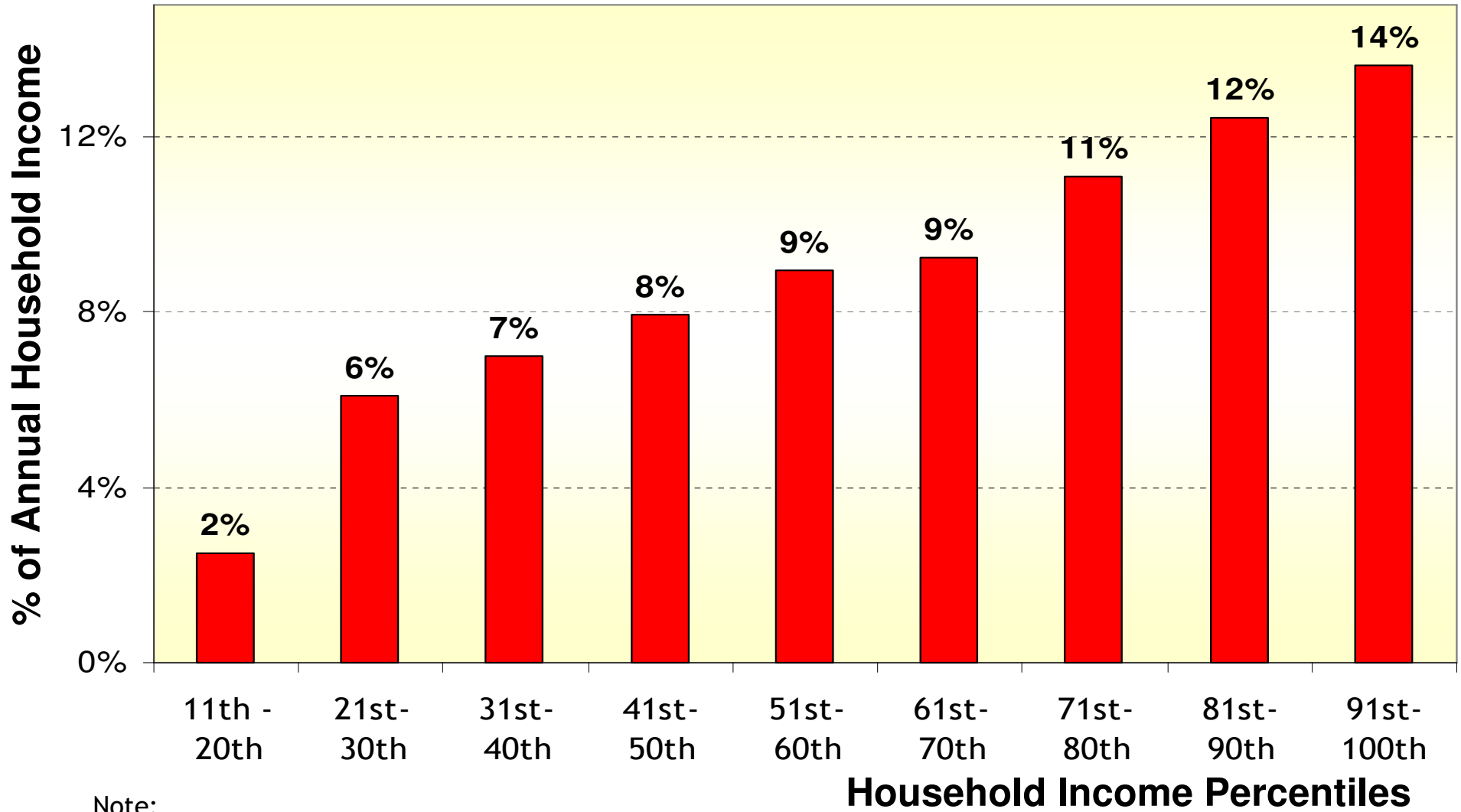


Notes:

- 1st-10th percentiles have no household incomes
- GST offsets include only GST Credits, Senior Citizens' Bonus, U-Save rebates, Service & Conservancy Charges rebates, rental rebates, property tax rebates and Top-ups to Post-Secondary Education Account (PSEA)

# A Progressive Tax System

Total Tax (less WIS benefits)

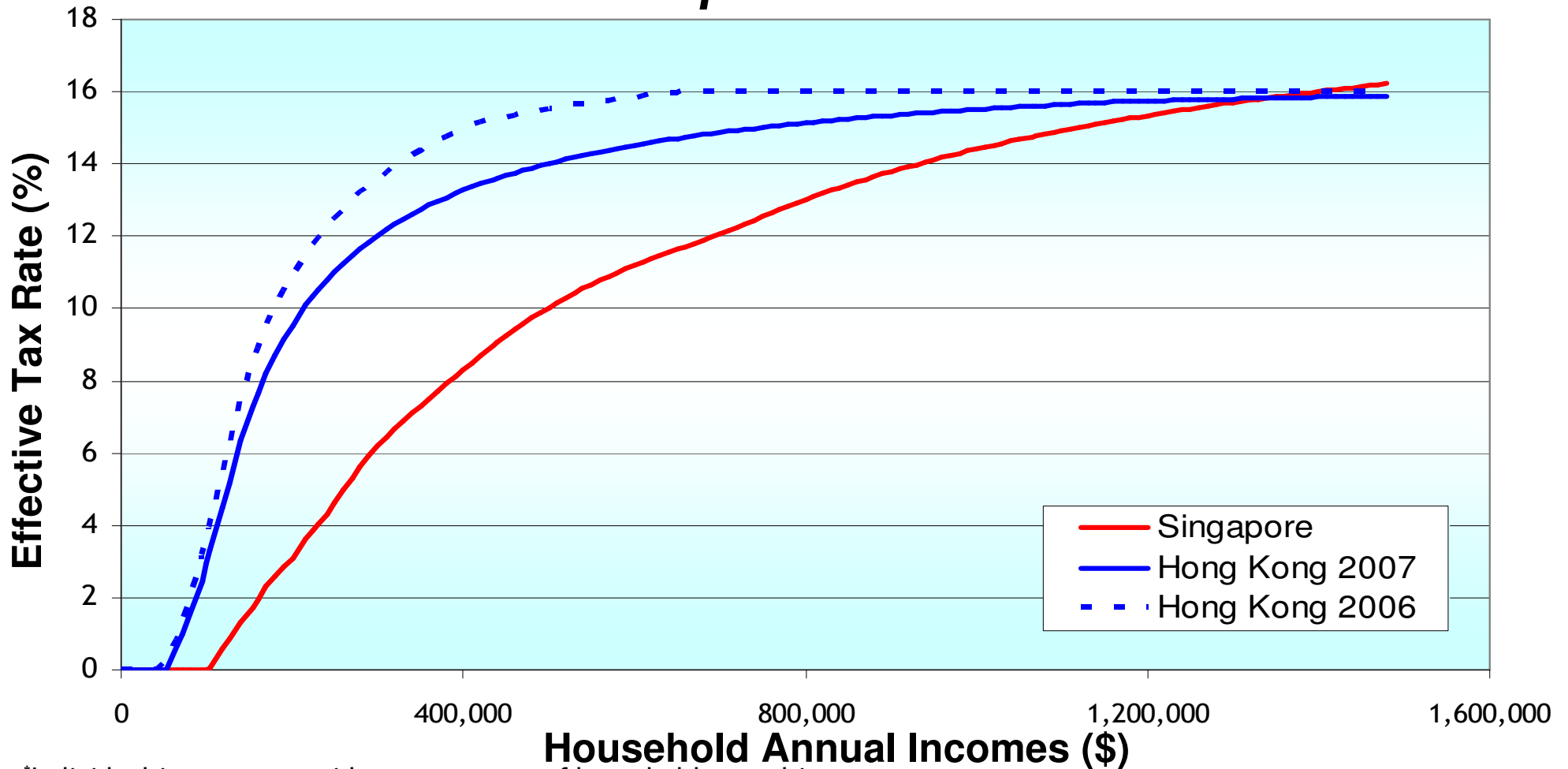


Note:

- 1st-10th percentiles have no household incomes

# Effective Tax Rates\* for HK and Singapore

## *Married Couple with 2 children*



\*Individual income tax paid as percentage of household annual income.

- Notes:
- Hong Kong: Husband claims all Child Relief, Personal Allowance and Mandatory Provident Fund deduction. Wife claims Personal Allowance and Mandatory Provident Fund deduction
  - Singapore: Husband claims Earned Income Relief, Child Relief, CPF deduction. Wife claims CPF deduction, Working Mother Child Relief and Earned Income Relief. Parenthood Tax Rebate taken as \$1000 per year