

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2023–24	Original estimate 2024–25	Revised estimate 2024–25	Estimate 2025–26
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	5,898,499	8,032,410	4,821,000	4,821,000
Total	<u>5,898,499</u>	<u>8,032,410</u>	<u>4,821,000</u>	<u>4,821,000</u>

Description of Revenue Source

This revenue head covers the taxes for the registration of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330). Motor vehicle taxes are imposed on the first registration of certain classes of motor vehicles set out in the Schedule to the Motor Vehicles (First Registration Tax) Ordinance, including private cars, motor cycles, motor tricycles, goods vehicles, taxis, buses, light buses and special purpose vehicles. The tax rate is expressed as a percentage of the value of the vehicle and varies according to the class of motor vehicle specified in the Schedule.

Revenue from motor vehicle taxes generated 1.0% of total revenue in 2024–25.

Underlying Changes in Revenue Yield

The 2024–25 revised estimate of \$4,821 million reflects a decrease of \$3,211,410,000 (40.0%) against the original estimate. This is mainly due to a slight decrease in the number of first-registered vehicles, the wider use of electric vehicles and a higher-than-expected proportion of low-end private cars subject to first registration.

The 2025–26 estimate of \$4,821 million is the same as the revised estimate for 2024–25.