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A Case Study of Macau Vehicle Tax



XIONG YAN, Rachel

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Abstract

The high increment of the number of vehicles and the road usage rate in recent years has led to serious traffic congestion and environmental pollution problems in Macau. Macau, as a tourist city, possesses a mission to create a green traffic city for both the local residents and visitors. The vehicle tax system in Macau remains unchanged since the 1990s which already cannot be adapted to Macau's current traffic and economic situation. The Transport Bureau suggested the examination of Macau's current vehicle tax system for better traffic management in the Ideas on Traffic and Transportation Policy (2010-2020).

The objective of this study is to review Macau's current vehicle tax system and to detect the existing problems. After the examination of current situation, suggestions have been made for improving the current vehicle tax system. With reference to the vehicle tax systems in Japan, Singapore, Taiwan and Hong Kong, we find that Macau's vehicle tax system is inefficient in controlling traffic. It includes relatively simple tax types and levies low tax rates which are not enough to pay for the social costs and to promote public environmental awareness. Suggestions for Macau's vehicle tax reform include levy of additional registration fee and adjustment of the license tax and vehicle inspection fee.

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