

LEGCO QUESTION NO. 14

(Written Reply)

Asked by : Hon YIU Pak-leung

Date of meeting : 18 March 2026

Replied by : Secretary for Financial Services and the Treasury

Reply

President,

The hotel accommodation tax (HAT) is imposed on hotels and guesthouses under the Hotel Accommodation Tax Ordinance (Cap. 348) (the Ordinance). To tie in with the Government's fiscal consolidation programme, we resumed the collection of HAT at a rate of 3% of the accommodation charge with effect from 1 January 2025.

Upon consultation with the Culture, Sports and Tourism Bureau, the Development Bureau, the Inland Revenue Department (IRD) and the Home Affairs Department, my reply to Hon YIU Pak-leung's question is as follows:

(1)

The number of hotels and guesthouses in Hong Kong and the total number of rooms provided by them by month from July 2025 to February 2026 are as follows:

Month	Number of hotels and guesthouses subject to HAT (Number of rooms)^		Number of hotels and guesthouses not subject to HAT# (Number of rooms)		Total	
	Hotel	Guesthouse	Hotel	Guesthouse	Hotel	Guesthouse
2025						
July	302 (86 420)	138 (3 253)	34 (6 482)	1 323 (9 573)	336 (92 902)	1 461 (12 826)

Month	Number of hotels and guesthouses subject to HAT (Number of rooms)^		Number of hotels and guesthouses not subject to HAT# (Number of rooms)		Total	
	Hotel	Guesthouse	Hotel	Guesthouse	Hotel	Guesthouse
August	302 (85 735)	139 (3 259)	36 (7 345)	1 316 (9 537)	338 (93 080)	1 455 (12 796)
September	303 (86 243)	137 (3 504)	37 (7 435)	1 315 (9 535)	340 (93 678)	1 452 (13 039)
October	304 (86 284)	135 (3 515)	36 (7 387)	1 316 (9 551)	340 (93 671)	1 451 (13 066)
November	305 (86 345)	135 (3 515)	36 (7 387)	1 315 (9 546)	341 (93 732)	1 450 (13 061)
December	303 (86 093)	134 (3 498)	38 (7 639)	1 314 (9 544)	341 (93 732)	1 448 (13 042)
2026						
January	303 (86 097)	137 (4 245)	38 (7 639)	1 314 (9 592)	341 (93 736)	1 451 (13 837)
February	303 (86 201)	136 (4 220)	32 (7 135)	1 283 (9 217)	335 (93 336)	1 419 (13 437)

^ Excluding rooms occupied by the same guest(s) in the same hotel/guesthouse for not less than 28 consecutive nights, which are regarded as long-term accommodation. Hotels or guesthouses are not required to pay HAT for the relevant accommodation charges. Since hotels or guesthouses are not required to report information of long-term accommodation to IRD, IRD does not maintain relevant information.

Including hotels or guesthouses exempted from paying HAT under the Ordinance, i.e. (a) the rate of the accommodation charge is less than \$15 per day; (b) the accommodation is provided by societies not established or conducted for profit; or (c) the hotel or guesthouse contains less than 10 rooms normally available for lodging guests.

Under the Ordinance, HAT is levied quarterly and hotel and guesthouse proprietors should pay the tax to IRD within 14 days after quarter-end. The HAT collected by the Government for the third and fourth quarters of 2025 amounted to about \$180 million and \$240 million respectively.

(2) and (7)

The Government fully took into account the impact of the tax on visitors and the industry when it decided to resume the collection of HAT. Since

HAT only constitutes 3% of hotel/guesthouse room rates and is levied on an ad valorem basis, it only accounts for a small portion of the total spending of overnight visitors in Hong Kong. We do not consider that it will affect visitors' interest to visit Hong Kong as a travel destination. According to the statistics of the Hong Kong Tourism Board (HKTB), the average hotel occupancy rate and the number of overnight visitors for 2025 increased by around 2% and 6% respectively when compared to 2024.

The revenue from HAT is affected by multiple factors, including the number of hotels and guesthouses subject to HAT, occupancy rates and room rates and whether long-term accommodation is provided.

The HAT provides a stable source of Government revenue without affecting the general public. The Government considers that the collection of HAT was smooth in the past year and is in line with the policy objectives. Hence, the Government currently has no plan to adjust the HAT rate.

(3)

The information on hotel projects with building plans approved and consent to the commencement of works given by the Building Authority in the past two years is as follows:

	2024	2025
Number of approved hotel projects (number of rooms)*	4 (703)	4 (1 187)
Number of projects with works commenced (number of rooms)	0 (0)	1 (513)

* The number of rooms is based on the information shown on the building plans.

The approved hotel projects and the projects with works commenced have not yet been completed. The Buildings Department does not maintain records of hotel projects that have been shelved or information related to guesthouses.

(4)

According to statistics from HKTB, as at September 2025, there were 23 ongoing new hotel construction projects with exact completion date yet to be determined, which are expected to provide a total of 4 456 hotel rooms in the future.

The Government will closely monitor the supply of hotels in the market, and regularly release relevant statistics for reference of the industry and developers, so as to assist their formulation of appropriate business plans. The Government welcomes initiatives that are conducive to the sustainable development of the tourism industry in Hong Kong, and will support initiatives that would provide more hotel rooms and tourism facilities to our visitors.

(5)

The Government does not maintain statistics on the number of hotels or guesthouses for which application for change of use has been made.

(6)

Similar to other taxes, HAT forms part of the Government's general revenue. The Government will consider the actual needs of different policy areas and holistically consider the appropriate allocation of financial resources in accordance with the principle of prudent financial management.

The Government has been fully committed to promoting the overall development of the tourism and hotel industries. The 2026-27 Budget has allocated \$1,660 million to HKTB to support its work on external promotion of Hong Kong's tourism industry including stepping up marketing efforts in source markets with potential, such as Mainland cities outside Guangdong, as well as emerging markets such as ASEAN and the Middle East, to attract through various initiatives more overnight visitors to visit and stay in Hong Kong.