

Tax measures to boost Thailand's economy



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Due to the global economic crisis, the Cabinet approved seven tax measures to boost Thailand's economy on 20 January 2009. The details of each tax measure as provided in the Ministry of Finance's News No 5/2552 dated 20 January 2009 are as follows:

Increasing the minimum income tax threshold

The minimum taxable income of 60,000 baht for personal income tax, which is subject to 0.5 percent of the assessable income as specified in Section 48 (2), is increased to Baht 1,000,000.

Purchase of a new residence

An individual taxpayer who purchases a new residence is granted a tax deduction not exceeding 300,000 baht provided that the ownership of the residence is transferred within the 2009 tax year.

The taxpayer is also eligible to deduct taxable income for the amount of interest on loans actually paid for purchasing the new residence, but not exceeding 100,000 baht.

Debt restructuring

The income tax exemption is granted to the debtor who receives income from the reduction or cancellation of debt of a financial institution or other creditors.

The income of a debtor of a financial institution or other creditors which is derived from transfer of assets, sales of goods, provisions of services for the purpose of debt restructuring is exempt from income tax, value added tax, specific business tax and stamp duty. Such referred tax exemptions are also granted to the debtor who derives income from the transfer of mortgaged property to a third party.

Note that the tax exemption applies only to any transfer

or eligible acts done for the purpose of debt restructuring made by 31 December 2009.

Partial transfer of business

The exemption from value added tax, specific business tax and stamp duty for the income deriving from a partial transfer of business including reduction of the registration fees for transfer of immovable property related thereto provided that such transfer must be made by 31 December 2009.

Venture capital

Under the new tax policy, the criteria for being granted tax privileges for venture capital are less restricted. Namely, (i) extension of period of registration of venture capital with the Security Exchange Commission to 2011, (ii) exclusion of the requirement of the 20 percent investment in small and medium sized enterprises (SMEs) for the first year and (iii) granting tax exemption on gains derived from sales of SMEs' shares listed in the SET of the venture capital.

Tourist business

The expenses incurred by a company for local seminars or training, ie hotel, seminar facilities can be deducted from the company's profit in twice the amount of actual expenses incurred, provided that such expenses are incurred in 2009 tax year.

Community enterprises

The amount of tax exemption for community enterprises is increased from 1,200,000 baht to 1,800,000 baht for the income derived during 2009 and 2010.

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