



# Revenue Department News

**News No.** : 14/2020  
**Date** : 30<sup>th</sup> January 2020  
**Subject** : The Revenue Department has stimulated economy by allowing 250% tax deduction for new machine

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The Revenue Department has responded to fiscal policy to promote domestic investment in 2020 after the Cabinet has approved the tax policy that Ministry of Finance proposed on 28<sup>th</sup> January 2020. Businesses can deduct 250% of expenses as a tax allowance for investment in new machinery assets.

Mrs. Sommai Siriudomset, Principal Adviser on Strategic Tax Administration (Energy Industry) and Spokesperson of the Revenue Department informed that businesses can deduct expenses for investment in new machinery assets when calculating corporate income tax for 250% of the actual expenses. The allowance can be separated into 2 parts: (1) 150% of the actual expenses is corporate income tax deduction (2) 100% of the expenses is depreciation deduction. However, this policy does not include leasing businesses invested in machinery assets. The businesses that can use this policy must invest in new machinery assets from 1<sup>st</sup> January – 31<sup>st</sup> December 2020. Other criteria and conditions of the machinery asset include the followings:

1. The asset must be new;
2. The asset must be eligible to claim depreciation deduction and ready to use within 31<sup>st</sup> December 2020
3. The asset must be used within the country;
4. The asset must not be eligible to receive tax benefits from other Royal Decree

This policy is expected to stimulate investment in private sector more than 110,000 million baht as well as promote growth for overall Thai economy.

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