



# Revenue Department News

News No. : 16/2020

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Subject : The Revenue Department spurs border investment: Tax rate reduction for 10 years to support SEZ

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The Revenue Department is preparing to launch a tax measure to support an investment in Special Economic Zone (SEZ). Corporate income tax rate for companies in the area will be reduced to 10 percent in order to spur investment and trade in such area.

Miss Sommai Siriudomset, Principal Adviser on Strategic Tax Administration (Energy Industry) and Spokesperson of the Revenue Department revealed that “The Revenue Department is preparing to launch a tax measure for companies which have establishments in SEZ zone. The measure will be a special tax rate for companies by reducing the tax rate from 20 percent of net profit to 10 percent of net profit for 10 years or 10 consecutive accounting periods. This will increase productions and services for entrepreneurs in the area, which will increase employment for people in such area. In addition, it will distribute prosperity and increase income for the area and reduce the labor movement from neighboring countries. The Revenue Department will allow companies in SEZ area to request for these tax benefits from now until 30<sup>th</sup> December 2020.

Launching of this tax measure is in accordance with the government policy, which is to support and strengthen cross border trade. Moreover, this will be the enhancement of Thailand and CLMV countries competitiveness. The Revenue Department will carry forward this measure along with other departments (e.g. The Board of Investment of Thailand, which grants corporate income tax exemption for 8 years and 50 percent tax reduction for 5 years in targeted businesses).

In addition, The Revenue Department also prepares to launch tax measure for entrepreneurs in other areas, which is “Tax Measure for Supporting Personnel Development for Industry 4.0”. This measure will grant tax benefit to companies which donate properties (machine, equipment, tool or computer program which is connected to a machine for automatic system) to “Center for Supporting Personnel Development for Industry 4.0” which is established by public institution, private school (not including non-formal school) or private university. The expenses can be deducted up to three times (not exceeding net profit or 100 million baht). Also, donated property is granted Value Added Tax (VAT), Specific Business Tax and Stamp Duty exemption. Companies can start the donation of property from now until 31<sup>st</sup> December 2020.

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