



Revenue Department News

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Subject : The Revenue Department has implemented tax measures worth more than 100 billion baht to alleviate the impact of the coronavirus COVID-19 outbreak

On 25th May 2020, **Dr. Ekniti Nitithanprapas, Director-General of the Revenue Department** revealed that **the Finance Minister Dr. Uttama Savanayon**, together with the Revenue Department and various government agencies under the Ministry of Finance joined the press conference to wrap up the impact of the government measures introduced to help alleviate those who are affected by the coronavirus COVID-19 outbreak.

Dr. Ekniti Nitithanprapas, Director-General of the Revenue Department added that the Revenue Department has swiftly introduced a number of tax measures and accelerated the process of tax refund worth over 100 billion baht, to alleviate both direct and indirect effects of the coronavirus COVID-19 outbreak on the Thai economy as well as to increase liquidity of taxpayers. These tax measures based on four principles, including postponement, acceleration, reduction and motivation, can be summarized as follows:

1. **“Postponement”** of the filing and payment deadlines

The Revenue Department has extended the deadline to file personal income tax returns (P.N.D. 90, 91, 93 and 95) for the tax year 2019 from 31st March 2020 to 31st August 2020. For corporate income taxpayers, the submission of P.N.D. 50 and 55 due from April to August 2020 has been postponed to 31st August 2020. Likewise, the regular dateline for P.N.D. 51 from April to September 2020 has been extended to 30th September 2020. Filing deadlines for online tax returns have also been postponed from on 15th or 23th in May – September 2020 to the last day of each month in such periods. These tax measures aim to increase taxpayers’ liquidity as well as to encourage everyone to “Stay home and stop the spread of the virus for the sake of the nation”.

2. **“Acceleration”** of the tax refund process

The Revenue Department has accelerated the process of personal and corporate income tax refunds for tax year 2019. To date, personal income tax refunds of approximately 28 billion baht have been paid, representing 95% of around 3 million taxpayers submitting requests. During the first 7 months of the fiscal year 2020 (October 2019 - April 2020), the amount of corporate income tax refund was over 27,185 million baht, increased by 45.7% compared to the previous year.

3. **“Reduction”** of withholding tax rates

The Revenue Department has reduced withholding tax rates on certain types of taxable income from 3% to 1.5% during 1st April to 30th September 2020. After such period, these withholding tax rates will be back to 3%. From 1st October 2020 to 31st December 2021, however, these rates will be subjected to the reduction to 2% in case payments are made via the e-Withholding tax system. Moreover, in line with the soft loan measure for SMEs, corporates with annual turnover not more than 500 million baht and having not over 200 employees can claim a tax deduction for 1.5 times the interest expense paid from 1st April to 31st December 2020.

4. **“Motivation”** through tax incentives

The Revenue Department has introduced tax incentives for individuals, businesses, and medical staffs as follows:

- Tax deduction of 3 times wage expenses paid from April to July 2020 for corporates with annual turnover not more than 500 million baht and having not over 200 employees that do not lay off employees or reduce staffs;
- Tax relief to support debt restructuring and ease burden of both debtors and creditors affected by the coronavirus COVID-19 outbreak;
- Value Added Tax and Corporate Income Tax exemption on the import of medicines and medical supplies relating to diagnosis or prevention of the coronavirus COVID-19 and donated to government hospitals, public organization or other public charities;
- Lift up of the tax deduction threshold for health insurance premiums from 15,000 baht to 25,000 baht, in which when combined with the deduction of life insurance premiums and living allowance deposits must not exceed 100,000 baht per tax year; and
- Personal Income Tax exemption as compensation received from the Ministry of Public Health for personnel at risk of occupational health and safety dealing with the coronavirus COVID-19.

Dr. Ekniti Nitithanprapas, Director-General of the Revenue Department concluded that above measures were designed to immediately response to impact of the coronavirus COVID-19 outbreak. In the following phase, the Revenue Department will come up with long-term measures through the use of the Digital Transformation that is suitable for the social distancing circumstance at present as well as the post-outbreak with the new normal. To name a few, the ‘TAX from Home’ campaign has recently been launched to facilitate tax services from home, including registration, filing, payments and refunds. All transactions can be done online with cost-saving and convenience. In addition, certain tax policies are designed in accordance with the right target group and the right service with the ultimate goal to create tax fairness in the society. We will go through this situation together in a way that "Nobody will be left behind".

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Public Relations, Office of the Secretary

The Revenue Department 90 Soi Phaholyothin 7, Phaholyothin Road, Bangkok 10400

RD Intelligence Center Tel. 1161