

Thailand

Personal Income Tax Rate	5-35%
Corporate Tax Rate	20%
Value Added Tax	7%

Personal Income Tax

Thai individual income tax rates are progressive, up to 35%.

Personal Income tax rates applicable to taxable income are as follows:

Taxable Income per year (Baht)	Tax rate
0 – 150,000	Exempt
150,000 – 300,000	5%
300,000 – 500,000	10%
500,000 – 750,000	15%
750,000 – 1,000,000	20%
1,000,000 – 2,000,000	25%
2,000,000 – 4,000,000	30%
Over 4,000,000	35%

An individual is considered tax resident if he/she is in Thailand for 180 days or more in a calendar year.

Corporate Tax

The corporate income tax rate in Thailand is 20 % on net profit. However, the rates vary depending on types of taxpayers

Withholding tax

Types of taxable income	Tax rate
Employment income	5 - 35%
Rents and prizes	5%
Ship rental charges	1%
Service and professional fees	
- Paid to Thai company / PE	3%
- Paid to foreign company / No PE	5%
Public entertainer remuneration	
- Thai resident	5%
- Non resident	5 – 35%
Advertising fees	2%
Dividends	10%
Interest	1%
Royalties	3%
Advertising fees	2%

Tax incentives for SMEs

- Reduce corporate income tax rate for Thai companies and partnerships with paid-up capital of 5 million baht and below with an annual turnover of not more than 30 million baht.

These companies are subject to the following rates :

Net Profit (Baht)	Tax rate
1 – 300,000	Exempt
300,000 – 1,000,000	15%
Over 1,000,000	20%

(Effective from accounting period starting on or after 1st January 2013)

- Thai company with durable assets (excluding land) less than 200 million baht and hiring employee less than 200 people grant an initial allowance on assets as follows:
 - Computer hardware and peripheral can depreciate on the acquisition date at 40% of its total cost. The remaining will be depreciated at a regular rate for at least 3 accounting periods.
 - Durable building and plant can depreciate on the acquisition date at 25% of its total cost. The remaining will be depreciated at a regular rate not exceeding 5% of the total cost per annum(Effective on and after 31st January 2002)
 - Machinery and equipment can depreciate on the acquisition date at 40% of its total cost. The remaining will be depreciated at a regular rate not exceeding 20% of the total cost per annum.(Effective for assets which are acquired on or after 31st January 2002)

Value Added Tax (VAT)

VAT based on supplies goods or provides services in Thailand and has an annual turnover exceeding 1.8 million baht. Including imported and exported goods

- General rate is 7%
- Specific rate is 0%, for certain activities such as, import and export of goods.

Special Business Tax (SBT)

SBT is another kind of indirect tax for certain businesses that are excluded from VAT.

Businesses that are subject to SBT include:

- 1) banking under the law governing commercial banking or any other specific law
- 2) business of finance, securities and credit foncier under the law governing operation of the business of finance, securities and credit foncier

- 3) life insurance under the law governing life insurance
- 4) pawn broking under the law governing pawnshops
- 5) business with regular transactions similar to commercial banks, such as provision of loans, provision of guarantees, exchange of currencies, issuance, purchase or sale of bills or transfer of money abroad by different means;
- 6) sale of an immovable property in a commercial or profitable manner, irrespective of the manner in which such property is acquired, only in accordance with the rules, procedures and conditions prescribed by a royal decree
- 7) sale of securities in a securities market under the law governing securities exchange of Thailand
- 8) any other business as prescribed by a royal decree

Tax base and Tax rates for SBT:

Business	Tax Base	Tax rate
Banking, Finance and similar business	Interest, discounts, service fees, other fees, profits from foreign exchange	3%
business of finance, securities and credit foncier	Interest, discounts, service fees, other fees, profits from foreign exchange	3%
Life Insurance	Interest, service fees and other fees	2.5%
Pawn Brokerage	Interest, fees, remuneration from selling overdue property	2.5%
business with regular transactions similar to commercial banks	Interest, discounts, service fees, other fees, profits from foreign exchange	3%
Real estate	Gross receipts	0.1%
sale of securities in a securities market	Gross receipts	0.1%