

**INHERITANCE TAX ACT,
B.E. 2558 (2015)**

BHUMIBOL ADULYADEJ, REX.

Given on the 29th Day of July B.E. 2558;
Being the 70th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to have a law on inheritance tax;

Be it, therefore, enacted by the King by and with the advice and consent of the National Legislative Assembly, as follows:

Section 1 This Act is called the “Inheritance Tax Act, B.E. 2558 (2015)”.

Section 2 This Act shall come into force after the expiration of one hundred and eighty days from the date of its publication in the Government Gazette.

Section 3 This Act shall not apply to:

(1) an inheritance from a deceased person who dies prior to the date on which this Act comes into force;

(2) an inheritance received from a deceased person by the spouse of the deceased person.

Section 4 In this Act:

“tax” means inheritance tax imposed under this Act;

“Thailand” includes the area of the continental shelf over which Thailand has jurisdiction;

“assessment official” means a person appointed from among government officials by the Minister to conduct tax assessments;

“Director-General” means the Director-General of the Revenue Department or a person entrusted by the Director-General of the Revenue Department;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5 The Minister of Finance shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

CHAPTER I
GENERAL PROVISIONS

Section 6 The collection of taxes under this Act shall be the power and duties of the Revenue Department.

Section 7 In the case where a person liable to pay tax is a minor, incompetent person or quasi-incompetent person; the legal representative, guardian or curator shall have a duty to perform any action under this Act for the minor, incompetent person or quasi-incompetent person, as the case may be.

Section 8 With regards to the time limits for filing returns or other items, for appeals and for payments of tax as prescribed in this Act, if the person having the duty to comply with such time limit is unable to comply therewith due to any cause of necessity, or is not in Thailand, the Director-General may grant permission to postpone the time limit as is necessary for the particular case.

In the case of necessity where, in general, persons having the duty to perform in accordance with this Act are unable to perform within a time limit under this Act, the Director-General may announce to extend the time limit as appropriate for a period until the necessity no longer exists. When the time limit has been extended, such extended time limit shall be deemed a time limit prescribed under this Act.

Rules and conditions for the postponement or extension of a time limit by the Director-General under paragraph one and paragraph two shall be as prescribed by the Minister and published in the Government Gazette.

Section 9 Documents addressed to any person under this Act shall be delivered by registered mail with return receipt requested or by a revenue official to a place of domicile or residence or office of such person during the period from sunrise to sunset or during office hours of such person. If the recipient cannot be found at a place of domicile or residence or office of the recipient, they shall be delivered to any person of legal age who resides or works in the house or office appearing to belong to the recipient.

In the case where it cannot be delivered under the provisions of paragraph one or that person has left Thailand, it shall be posted at a prominent place of the residence, office of such person or house where name of such person is currently in the record under the law regarding house registration or a brief description shall be published in a newspaper regularly sold in that area, or it may be delivered by any other means as prescribed by the Director-General.

If the above said procedure prescribed under paragraph one or paragraph two is followed, such documents shall be deemed to be received.

Section 10 When a land official has effected a right and juristic act registration concerning the immovable property obtained through inheritance, such registration shall be notified to the Revenue Department in accordance with the rules and procedures, and within the period of time prescribed by the Cabinet.

CHAPTER II
IMPOSITION OF TAXES

Section 11 Subject to Section 12, the following persons who have received an inheritance shall be liable to pay tax according to the provisions of this Act:

- (1) a person of Thai nationality;
- (2) a natural person of non-Thai nationality but having a domicile in the Kingdom according to the law on immigration;
- (3) a person of non-Thai nationality but receiving an inheritance which is an asset situated in Thailand.

In the case where a person receiving an inheritance is a juristic person, it shall be deemed that, the juristic person that is registered in Thailand or established by Thai laws, or of which a person(s) of Thai nationality holds shares of more than fifty percent of the registered and paid-up capital at the time of entitlement to the inheritance, or of which more than one-half of the members with managerial power of a group of persons having the power to manage the entire business are of Thai nationality, is a person of Thai nationality.

In the case of (3), if the inherited asset is situated in Thailand at the time of the death of the deceased person, it shall be deemed to be situated in Thailand even if it has been transformed into any form, and the person who has received the inheritance shall still be liable to pay tax under Section 12.

The Minister with approval of the Cabinet may, by publishing in the Government Gazette, reduce or exempt taxes under this Act for persons under the Convention or Agreement for the avoidance of double taxation with respect to taxes on inheritances entered into between the Thai government and a foreign government.

Section 12 For a person who has received an inheritance from each deceased person, whether on one or several occasions, if the aggregate value of the inheritance

received from each deceased person is more than one hundred million Baht, such person shall pay tax on the excess over one hundred million Baht.

The value of inheritance under paragraph one means the value of all assets inherited, deducted by the amount of liabilities assumed from such inheritance.

The value of inheritance under paragraph one shall be reviewed every five years, taking into consideration the percentage change of the consumer price index calculated by the Ministry of Commerce for official use in such period. The revised value of inheritance shall be prescribed in Royal Decrees.

Section 13 The provision of Section 12 shall not apply to:

(1) persons receiving an inheritance from a deceased person who has expressed his or her intention or appeared to have an intention of using the inheritance for religious, educational or public benefit activities;

(2) state agencies and juristic persons whose objectives are for religious, educational or public benefit activities;

(3) persons or international organisations under commitments between Thailand and the United Nations, or according to international laws or contracts or reciprocal arrangements with other countries,

only in accordance with the category or in the list specified in a Ministerial Regulation which may contain rules, conditions and procedures for monitoring.

Section 14 Inheritances subject to tax are the following assets:

(1) immovable properties;

(2) securities under the law on securities and exchange;

(3) deposits or any other monies of the same characteristics which may be withdrawn or claimed by a deceased owner from the financial institution or person who has received such monies;

(4) vehicles with registration;

(5) financial assets to be prescribed by Royal Decrees.

In the case of a person under Section 11 (1) and (2) receiving an inheritance, such person shall pay tax on the assets situated either in Thailand or outside Thailand, and in the case of a person under Section 11 (3) receiving an inheritance, such person shall pay tax on the assets situated in Thailand only.

Any assets which are situated in Thailand shall be subject to the provisions stipulated in Ministerial Regulations.

Section 15 Calculation of the value of assets shall be based on the price or value receivable on the date of receipt of such assets through inheritance as follows:

(1) in the case of immovable properties, the capital value of the immovable property appraised for the purpose of collecting fees for the right and juristic act registration under the Land Code, deducted by the third-party rights in accordance with the criteria prescribed in Ministerial Regulations, shall apply;

(2) in the case of securities listed on the Stock Exchange of Thailand, the price of such securities as at closing of the business hours of the stock exchange on the date of receipt of inheritance shall apply;

(3) in other cases, the criteria stipulated in Ministerial Regulations shall be complied with, provided that such criteria shall be stipulated in general, without being specific.

If it is necessary to convert foreign currency into Thai currency, it shall be converted using the exchange rate in accordance with the rules and procedures announced by the Revenue Department.

Section 16 A person liable to pay tax shall calculate and pay tax at the rate of ten percent on the portion of value of inheritance that is subject to tax under Section 12, but if the person receiving an inheritance is an ascendant or a descendant, he or she shall pay tax at the rate of five percent.

CHAPTER III
FILING, PAYMENT AND ASSESSMENT OF TAXES

Section 17 Subject to Section 23, a person liable to pay tax shall file a tax return and pay tax by using the form as prescribed by the Director-General within one hundred and fifty days from the date on which an inheritance which gives rise to a duty to pay tax under paragraph one of Section 12, is received.

The filing of a tax return and payment of tax under paragraph one shall be made at any Area Revenue Branch Office or at any other place as prescribed by the Director-General.

When an official of the Area Revenue Branch Office has received a tax return, he or she shall forward it to an assessment official at prompt, and the assessment official shall complete the assessment within one year from the date of filing of the tax return. In the case where a person liable to pay tax has to pay additional tax and has paid it off within the prescribed time under Section 22, no penalty or surcharge may be imposed, except in the case where such payment of additional tax is resulted from a particular item which has been omitted from the tax return or falsely presented by the filer.

The period of one year under paragraph three may be extended by the Director-General on a case by case basis if there exists a compelling and appropriate reason. However, the total period of time shall not exceed three years.

Section 18 In the case where a person liable to pay tax has died prior to expiration of the time limit under paragraph one of Section 17, without having filed a tax return, an administrator of such person shall have a duty to file a tax return and pay tax together with a surcharge under Section 31 for such person within one hundred and fifty days from the date of appointment but no penalty shall be paid. The surcharge shall be calculated from the day after the last day of the time limit under paragraph one of Section 17, until tax has been paid in full.

In the case where a person liable to pay tax has died when the time limit under paragraph one of Section 17 has expired but did not file a tax return, the administrator of such person shall have a duty to file a tax return and pay tax together with a penalty and surcharge for such person within one hundred and fifty days from the date of appointment. The penalty shall be equal to the amount of tax payable, except in the case where the filing of a tax return and payment of tax has been made after such prescribed period of time, in which case the penalty shall be twice the amount of tax payable. The surcharge shall be calculated from the last day of the time limit under paragraph one of Section 17, until tax has been paid in full.

The surcharge under paragraph one and paragraph two shall not exceed the amount of tax payable.

In the cases under paragraph one and paragraph two, any one of the persons entitled to the inheritance may carry out such acts within the prescribed period of time under paragraph one or paragraph two, as the case may be.

Section 19 Within one hundred and eighty days from the date of the death of a person liable to pay tax, if no administrator has been appointed to carry out the acts under Section 18, an heir who is entitled to the inheritance of such person shall perform the duty under Section 18, and the provision of Section 18 shall apply, *mutatis mutandis*, except for the period of time for tax return filing and tax payment, in which case such actions shall be carried out within one hundred and fifty days from the day after the last day of the time limit of one hundred and eighty days.

In the case of multiple heirs, the heirs shall agree to assign one among themselves to be the person liable to pay tax. If an agreement cannot be reached, any one of the heirs shall file a petition with the court for the appointment of an inheritance administrator.

After the last day of the time limit under paragraph one, if no person has filed a tax return or made payment of tax under this Section, an assessment official shall have the power to assess tax pursuant to Section 20.

Section 20 Subject to Section 17, an assessment official shall have the power to assess tax if a person liable to pay tax fails to file a tax return within a period of time specified by law. The assessment may be made within ten years from the last day of the period for tax return filing.

Section 21 For the purpose of Section 17, Section 18, Section 19, Section 20 or Section 24, the assessment official shall have the power to issue a summons to the person liable to pay tax, his or her representative or other persons concerned to come to give statements, and shall have the power to order them to submit books of account, documents or other evidence appropriate to the case for inspection or examination or issue an order for them to give answers in writing. In this regard, the recipient of the summons or order shall be provided with a period of not less than seven days from the date of receipt of such summons or order for compliance.

Section 22 When the assessment official has completed the assessment of tax, he or she shall notify the results of the assessment in writing to the person liable to pay tax and such person shall pay tax together with a penalty or surcharge, if any, within thirty days from the date of receipt of the written notification. In this case, the person liable to pay tax may appeal against such assessment.

Section 23 A person liable to pay tax may pay tax in installments for a period of not exceeding five years in accordance with the rules, procedures and conditions prescribed in Royal Decrees. When such person has paid the tax in full in accordance with those rules, procedures and conditions, such person shall be exempted from the payment of a surcharge. Nevertheless, in the case of tax payment in installments for a period of more than two years, a partial surcharge may be imposed as prescribed by such Royal Decrees.

Section 24 In the case where a person filing a tax return has paid tax without having a duty to pay such tax or paid tax in excess of the amount payable, such person shall be entitled to a tax refund.

The person entitled to a tax refund under paragraph one shall file a request for the tax refund together with documentary evidence within five years from the date on which the entire amount of tax has been paid, with an official of any Area Revenue Branch Office, in accordance with the rules and procedures announced by the Director-General.

The official of the Area Revenue Branch Office who has received the request shall forward the request together with the documentary evidence to an assessment official at prompt. The assessment official shall complete the examination of the evidence within one hundred and fifty days from the date of receipt of the request and inform the person who filed the request in writing within fifteen days from the date of completion of the examination. In this regard, where the tax must be refunded, the Revenue Department shall complete the tax refund within thirty days from the date of completion of the examination.

In requesting of a tax refund, no interest on the refunded tax may be claimed.

For the purpose of examination of the tax refund request, the assessment official shall have the power to assess tax within the period of time prescribed in this Section.

Section 25 If tax payable under this Act has not been paid when it becomes due, it shall be considered as tax arrears.

In order to recover tax arrears, the Director-General shall have the power to issue an order to seize or attach, and sell by auction the assets of the person liable to pay tax throughout Thailand, without having to request the court to issue the writ of seizure or order. The Director-General may delegate such power to a Deputy Director-General or Chief of Regional Revenue Office to act within the responsible locality.

The procedure for seizure and sale by auction shall be in accordance with the Civil Procedure Code *mutatis mutandis*. The procedure for an attachment shall be in accordance with the regulations prescribed by the Director-General with an approval from the Minister.

Money received from sale by auction shall be deducted for fees, expenses incurred from seizure and sale by auction, and tax arrears. The remaining shall be returned to the owner of the assets.

For the purpose of performing the actions under paragraph two, an authorised person under paragraph two shall have the power to:

(1) issue a summons to the person liable to pay tax arrears or any person which is reasonably believed to be beneficial for the collection of tax arrears to come to give statements;

(2) order the person in (1) to provide books of account, documents or other evidence necessary for examination of the tax arrears collection.

In implementing paragraph five, a period of no less than seven days from the date of receipt of the summons or order must be provided for the compliance.

CHAPTER IV APPEALS

Section 26 Any person liable to pay tax who disagrees with the assessment of an assessment official shall have the right to file an appeal with the Commission of Appeal within thirty days from the date of receipt of the notification of the assessment. An appeal shall be made in the form and at the place as prescribed by the Director-General and published in the Government Gazette.

The Commission of Appeal under paragraph one shall consist of the Director-General of the Revenue Department or his or her representative as Chairperson, a representative of the Office of the Attorney General and a representative of the Department of Provincial Administration as members.

The Commission of Appeal shall complete the consideration of the appeal within one hundred and eighty days from the date of receipt of the appeal. Such period of time may be extended for not more than ninety days by approval of the Director-General. After

the lapse of such period, the appellant shall have the right to file a lawsuit in the Tax Court without having to await the results of consideration of the Commission of Appeal, provided that the lawsuit must be filed within one hundred and eighty days from the day after the last day of such period of time.

A decision of the appeal shall be made in writing and informed to the appellant within fifteen days from the date of the decision.

Any appellant who is dissatisfied with the decision of the Commission of Appeal shall have the right to file a lawsuit in the Tax Court within one hundred and eighty days from the date of acknowledgement of the decision of the Commission of Appeal.

Section 27 An appeal shall not suspend payment of the tax, except in the case where an appellant is granted a permission from the Director-General to wait for an appeal decision or judgment, and in this case, the payment shall be made within thirty days from the date of receipt of the appeal decision or acknowledgement of the final judgment, as the case may be.

In the case where the decision of the appeal requires payment of additional tax, the appellant shall pay it within the period of time specified in paragraph one.

In the case where the appeal decision or the final judgment orders the appellant or the person filing a lawsuit not to pay tax or to pay a lesser amount of tax, the Revenue Department shall refund the amount of tax that must be refunded to the appellant or the person filing a lawsuit within thirty days from the date on which the decision or final judgment has been issued, as the case may be.

Section 28 For the purpose of making an appeal decision, the Chairperson of the Commission of Appeal shall have the same power as an assessment official under Section 21.

CHAPTER V
PENALTIES AND SURCHARGES

Section 29 A person liable to pay tax shall be liable to a penalty in the cases and at the rates as follows:

- (1) failing to file a tax return within a time limit, in which case such person shall be liable to the penalty equal to the amount of tax payable;
- (2) filing an incomplete or false tax return, causing a shortfall in the amount of tax payable, in which case such person shall be liable to the penalty of one-half of the amount of additional tax payable.

Section 30 A penalty under this Act may be exempted or reduced according to the rules and conditions prescribed by the Director-General, with approval of the Minister, and published in the Government Gazette. Such rules and conditions shall clearly indicate the grounds for exemption or reduction of the penalty, taking into account the good faith and necessity of persons obligated to perform in accordance with this Act.

Section 31 Subject to Section 23, any person who fails to pay tax in full within a time limit prescribed in this Act shall pay a surcharge of one point five percent per month or fraction thereof of the amount of tax payable, excluding a penalty.

In the case where permission is granted for the extension of the time limit for tax payment, and the tax is paid within the extended time, the surcharge under paragraph one shall be reduced to zero point seven five percent per month or fraction thereof.

The calculation of a surcharge under paragraph one and paragraph two shall begin from the day after the last day of the time limit for tax return filing until the date of tax payment, provided that the amount of surcharge shall not exceed the amount of tax payable.

Section 32 Penalties and surcharges under this Act shall be deemed tax.

CHAPTER VI
PENALTY PROVISIONS

Section 33 Any person who fails to file a tax return under Section 17 without valid reason shall be liable to a fine not exceeding five hundred thousand Baht.

Section 34 Any person who fails to comply with the summons or order or fails to answer questions of an assessment official under Section 21 or of the Chairperson of the Commission of Appeal under Section 28 or fails to comply with the summons or order of an authorised person under Section 25, shall be liable to imprisonment for a term of not exceeding one month or to a fine not exceeding twenty thousand Baht or to both.

Section 35 Any person who destroys, removes, conceals or transfers to other persons the property seized or attached under Section 25 shall be liable to imprisonment of not exceeding two years and to a fine not exceeding four hundred thousand Baht.

In the case where the offender under paragraph one is a juristic person, if the managing director, manager or representative of such juristic person was involved in the offending act committed by the juristic person, such managing director, manager or representative shall also be liable for the punishment specified in paragraph one.

Section 36 Any official having the duties to execute this Act who becomes aware of the information of a person liable to pay tax or of other related persons and informs such information to any person who is not required to know such information in the course of his or her duty, or makes such person know the information by any means, or negligently lets the information to be known by such person, without a valid authority to do so, shall be liable to imprisonment of not exceeding one year or to a fine not exceeding two hundred

thousand bath or to both, except where such information disclosure is made to assessment officials under the Revenue Code for the purpose of the execution of duties under law.

Section 37 Any person who:

(1) knowingly or intentionally notifies false statement, gives false statement, answers with a false statement or shows false evidence in order to evade taxes under this Act;

(2) by false statement, willful negligence, fraud or any other deceptive conduct, evades or attempts to evade taxes under this Act; or

(3) suggests or supports any other person to commit the act under (1) or (2),

shall be liable to imprisonment for a term of not exceeding one year or to a fine not exceeding two hundred thousand Baht or to both.

Section 38 All offences under Section 33, Section 34 and Section 37 may be settled by the Director-General.

If a person liable to pay tax has made payment of the settled amount of the fine within a period of time prescribed by the Director-General, such person may not be further prosecuted for such offense.

If the Director-General deems that the settlement should not be conducted or after the settlement has been completed, the person liable to pay tax does not consent to the settlement or consents to the settlement but fails to pay the fine within the period of time prescribed by the person authorised to conduct the settlement, a prosecution shall be commenced, and in this case no settlement under other laws may be conducted.

Countersigned by:

General Prayut Chan-o-cha

Prime Minister

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Remarks :- The rationale for enactment of this Act is that presently transfers of assets through inheritance are not subject to payment of tax, irrespective of the amount of assets, which have caused unfairness to society. Therefore, it is expedient that an appropriate amount of tax is imposed on high-value inheritances to be used for development of the country and enhancement of the lives of needy people, while keeping no impact to the persons who accept inheritance in the amount appropriate to their living. Hence, it is necessary to enact this Act.