

ROYAL DECREE

Prescribing Rules, Procedures and Conditions on Installment Payments of Inheritance Tax
B.E. 2559 (2016)

BHUMIBOL ADULYADEJ, REX.

Given on the 3rd Day of March B.E. 2559;

Being the 71st Year of the Present Reign.

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

Whereas it is expedient to prescribe rules, procedures and conditions on installment payments of inheritance tax;

By virtue of Section 22 of the Constitution of the Kingdom of Thailand (Interim), B.E. 2557 (2014) and Section 23 of the Inheritance Tax Act, B.E. 2558 (2015), a Royal Decree is hereby enacted, as follows:

Section 1 This Royal Decree is called the “Royal Decree Prescribing Rules, Procedures and Conditions on installment Payments of Inheritance Tax, B.E. 2559 (2016)”.

Section 2 This Royal Decree shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3 In making installment payments of tax, a person liable to pay tax shall file a request for tax installment payments and comply with the rules, procedures and conditions stipulated in this Royal Decree. In the case where a person liable to pay tax has died without having filed a tax return, the person having a duty to file a tax return and pay tax for such deceased person may file a request for tax installment payments.

The request for tax installment payments under paragraph one shall be filed together with filing of a tax return within a period of time prescribed by law or any extended

period as may be permitted by the Director-General at the Area Revenue Branch Office and in the form announced by the Director-General.

Section 4 In the case where an assessment official has assessed tax and it appears that additional tax must be paid, the person liable to pay tax, regardless of whether or not the tax has already been paid or already been paid in installments, may file a request for installment payments with respect to the additional tax payable assessed by the assessment official, provided that the request must be filed within the last day of the period for payment of additional tax.

In the case where a person liable to pay tax has died, whether before or after the assessment by an assessment official, if the tax return was filed within a period of time prescribed by law or any extended period as may be permitted by the Director-General, the person having a duty to file a tax return and pay tax for such deceased person may file a request for installment payments with respect to the additional tax payable assessed by the assessment official.

The request for tax installment payments under paragraph one and paragraph two shall be filed within the last day of the period for payment of additional tax at the Area Revenue Branch Office where the tax return was filed and in the form announced by the Director-General.

No installment payments of tax shall be allowed in the case where an assessment official has assessed tax and found that the value of inheritance subject to tax is in deficit of more than twenty five percent or that any item has been omitted by the filer from the tax return or falsely presented.

Section 5 The person filing a request for tax installment payments under Section 3 or Section 4 shall specify in the request the details of the proposed installment payments, as the case may be, which shall at least contain the following particulars:

(1) the number of year(s) of installments for payment of tax, which shall not exceed five years;

(2) the number of installments for payment of tax in each year, which shall be on a monthly, three-monthly, six-monthly or twelve-monthly basis;

(3) the amount to be paid in installments in each year;

(4) the amount to be paid in each installment, which shall be the same amount in every installment, *i.e.* the average of the amounts to be paid in installments in each year;

(5) collateral for installment payments under Section 6.

The person filing a request for tax installment payments shall provide collateral under paragraph one (5) within thirty days from the date of the filing of the request. In the case of failure to duly provide collateral as notified within such period of time, the entitlement to installment payments shall be terminated.

Section 6 A person making installment payments of tax shall provide any of the following as collateral for installment payments until the period of installment payments of tax has ended:

(1) a domestic financial institution's guarantee letter in the form prescribed by the Director-General, which shall be submitted to the Revenue Department;

(2) land or land with building of the person making installment payments or other persons, which shall be registered for mortgage in favour of the Revenue Department;

(3) ownership of a condominium unit of the person making installment payments or other persons, which shall be registered for mortgage in favour of the Revenue Department;

(4) a government bond of the person making installment payments or other persons, which shall be pledged under a contract entered into with the Revenue Department.

The collateral for installment payments under paragraph one shall not be subject to an encumbrance and shall have the value of not less than the amount of tax payable. Determination or calculation of value of the property under (2) and (3) shall be based on the price appraised for the purpose of collecting fees for the registering rights and juristic acts under the Land Code.

Section 7 In the case where the person filing a request for tax installment payments has fully complied with Section 5 and Section 6, the Director-General shall permit the installment payments according to such request.

When the permission for installment payments has been granted, installment payments of tax under Section 3 shall take effect from the day following the last date of the period for tax return filing or of any extended period as may be permitted by the Director-General. Installment payments of tax under Section 4 shall take effect from the date of the filing of the request for tax installment payments.

Section 8 A person making installment payments of tax shall pay tax within the last day of the due period.

In the case where a person making installment payments of tax wishes to pay off tax prior to the due date of the installments, such person may pay tax for each or any installment period in the amount more than the amount requested to be paid for each installment, regardless of whether the number of years of installments or the number of installments in each year would not comply as proposed in the request for tax installment payments.

If a person making installment payments of tax fails to comply with the provisions of this Royal Decree or fails to pay tax for any installment period, such person shall cease to be entitled to the installment payments and shall pay the tax in arrears in full together with a surcharge, which shall be calculated from the day after the last day of the time limit for tax return filing or from the day after the last day of the time limit for payment of additional tax, as the case may be, until the tax has been paid in full.

Section 9 Payment of tax in installments within a period of two years shall not be subject to the surcharge that may be imposed throughout the period of installment payments of such tax.

Payment of tax in installments for a period of more than two years shall be subject to a surcharge at the rate of zero point five percent per month or fraction thereof of the

amount of tax payable, which shall be calculated from the date on which the installment payments take effect, except where the tax has been paid in full within two years, in which case, no surcharge shall be paid and any amount of surcharge which has already been paid shall be subtracted from the amount of tax payable.

Section 10 The Minister of Finance shall be in charge and control of the execution of this Royal Decree.

Countersigned by:
General Prayut Chan-o-cha
Prime Minister

Remarks :- The rationale for enactment of this Royal Decree is that Section 23 of the Inheritance Tax Act, B.E. 2558 (2015) specifies that a person liable to pay inheritance tax may pay in installments in accordance with the rules, procedures and conditions prescribed in Royal Decrees. Hence, it is necessary to enact this Royal Decree.