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**Official language is Thai language**

## ROYAL DECREE

Issued under the Revenue Code  
Governing Exemption of Taxes (No. 420)  
B.E. 2547 (2004)

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**BHUMIBOL ADULYADEJ, REX.**

Given on the 17th Day of August B.E. 2547;  
Being the 59th Year of the Present Reign.

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

Whereas it is expedient to exempt income taxes, value added taxes, specific business taxes and stamp duties for persons supporting education in certain cases;

By virtue of section 221 of the Constitution of the Kingdom of Thailand and section 3 (1) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 10), B.E. 2496 (1953), a Royal Decree is hereby enacted, as follows:

Section 1 This Royal Decree is called the “Royal Decree Issued under the Revenue Code Governing Exemption of Taxes (No. 420), B.E. 2547 (2004)”.

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 Income tax under Part 2 and Part 3 of Chapter 3 in Title 2 of the Revenue Code shall be exempted for the income paid out as expenses for supporting education to government educational institutions, educational institutions of governmental organisations, private schools established under the law on private schools or private institutions of higher education established under the law on private institutions of higher education, as follows:

(1) for natural persons, the assessable income, after deduction of the expenses and allowances under section 47 (1), (2), (3), (4), (5) or (6) of the Revenue Code in the amount of double the expenditure paid out for supporting education, but not exceeding ten percent of the assessable income after deduction of such expenses and allowances, shall be exempted from income tax;

(2) for companies or registered partnerships, the income in monetary form or in the form of value in property in the amount of double the expenditure paid out for supporting education, but not exceeding ten percent of net profit before deduction of expenses for public charities or public benefits and expenses for education or sports under section 65 *ter* (3) of the Revenue Code, shall be exempted from income tax, in accordance with the rules, procedures and conditions notified by the Director-General of the Revenue Department.

Expenses for supporting education under paragraph one shall be those for the programmes approved by the Ministry of Education and for the following activities:

(1) procurement or construction of buildings, buildings with land or land for educational institutions for educational purposes;

(2) procurement of tools and equipment for education, coursebooks, textbooks, academic books or media and technology for education as well as other tools and equipment related to education for educational institutions prescribed by the Minister of Finance;

(3) procurement of teachers, professors or qualified persons in education, or provision of scholarships, invention, development, research or study for students or college students of educational institutions, in accordance with the rules, procedures and conditions notified by the Director-General of the Revenue Department.

*(amended by the Royal Decree (No. 476), B.E. 2551 (2008), effective from the 7<sup>th</sup> of August 2008 onwards)*

Section 4 A natural person or company or registered partnership shall be exempted from income tax under Part 2 and Part 3 of Chapter 3, value added tax under Chapter 4, specific business tax under Chapter 5 and stamp duty under Chapter 6 in Title 2 of the Revenue Code for the income derived from a transfer of assets, sale of goods or execution of instruments as a result of implementation of educational support programmes approved by the Ministry of Education under section 3, provided that the transferor shall not deduct the cost of the assets or goods entitled to such tax exemption as an expense in computation of income tax of a natural person or company or registered partnership, in accordance with the rules, procedures and conditions notified by the Director-General of the Revenue Department.

Section 5 The Minister of Finance shall have charge and control over the execution of this Royal Decree.

Countersigned by:

Police Lieutenant Colonel Thaksin Shinawatra

Prime Minister

Remarks :- The rationale for enactment of this Royal Decree is that it is deemed expedient that persons supporting education to government educational institutions, educational institutions of governmental organisations, private schools established under the law on private schools or private institutions of higher education established under the law on private institutions of higher education are exempted from income tax, value added tax, specific business tax and stamp duty in order to promote the private sector to participate in supporting education. Hence, it is necessary to enact this Royal Decree.

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