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Official language is Thai language

ROYAL DECREE

Issued under the Revenue Code

Governing Determination of the Value of Tax Base of Small Businesses Exempted from Value
Added Tax (No. 432)
B.E. 2548 (2005)

BHUMIBOL ADULYADEJ, REX.

Given on the 21st Day of January B.E. 2548;
Being the 60th Year of the Present Reign.

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

Whereas it is expedient to revise the determination of the value of tax base of small businesses exempted from value added tax;

By virtue of section 221 of the Constitution of the Kingdom of Thailand and section 81/1 of the Revenue Code as amended by the Revenue Code Amendment Act (No. 30), B.E. 2534 (1991) which contains certain provisions in relation to the restriction of rights and liberties of a person, in respect of which section 29 in conjunction with section 35 and section 48 of the Constitution of the Kingdom of Thailand, so permit by virtue of law, a Royal Decree is hereby enacted, as follows:

Section 1 This Royal Decree is called the “Royal Decree Issued under the Revenue Code Governing Determination of the Value of Tax Base of Small Businesses Exempted from Value Added Tax (No. 432), B.E. 2548 (2005)”.

Section 2 This Royal Decree shall come into force as from the 1st day of April B.E. 2548 (2005).

Section 3 The Royal Decree Issued under the Revenue Code Governing Determination of the Value of Tax Base of Small Businesses Exempted from Value Added Tax (No. 354), B.E. 2542 (1999) shall be repealed.

Section 4 The value of tax base of a small business under section 81/1 of the Revenue Code shall not exceed one million and eight hundred thousand baht per year.

Section 5 The term “year” under section 4 means:

(1) a calendar year, in the case where an entrepreneur is a natural person or non-juristic body of persons, except in the case of commencing a business subject to value added tax, in which case a year shall begin from the date of commencing the business until the end of the calendar year;

(2) an accounting period, in the case where an entrepreneur is a juristic person, except in the case of commencing a business subject to value added tax, in which case a year shall begin from the date of commencing the business until the end of the accounting period.

Section 6 The provisions of section 4 and section 5 shall apply to the filing of a tax return made after this Royal Decree has come into force.

Section 7 The provisions of the Royal Decree Issued under the Revenue Code Governing Determination of the Value of Tax Base of Small Businesses Exempted from Value Added Tax (No. 354), B.E. 2542 (1999) shall continue in force only in respect of the implementation for collecting value added taxes in arrears or value added taxes payable prior to the date on which this Royal Decree comes into force.

Section 8 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 to revise the determination of the value of tax base of small businesses that are exempted from value added tax under section 81/1 of the Revenue Code, whereby a business having the value of tax base of not more than one million and eight hundred thousand baht per year is exempted from value added tax in order to relieve the tax burden of entrepreneurs having the value of tax base of not more than such amount. Hence, it is necessary to enact this Royal Decree.

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