By Royal Command of His Majesty King Bhumibol Adulyadej, it is hereby proclaimed that: Whereas it is deemed expedient to amend the law on petroleum income tax,

Be it, therefore, enacted by the King’s most Excellent Majesty, by and with the advice and consent of the National Legislative Assembly, as follow:

Section 1. This Act shall be called the “Petroleum Income Tax Act (No.2), B.E. 2516”.

Section 2. This Act shall come into force on the day following the date of its publication in the Government Gazette.

Section 3. The provisions of Section 18 of the Petroleum Income Tax Act B.E. 2514 shall be repealed and replaced by the following:

“Section 18. For the purpose of calculating the tax reference price, the Minister shall have the power to prescribe discounts as follows:

1. not exceeding 7 per cent of the posted price under the petroleum law for a period not exceeding nine years from the date the company begins production of petroleum from each exploration block that the Department of Mineral Resources has not designated as an offshore block having a waterdepth in excess of two hundred meters under the petroleum law;

2. not exceeding 30 per cent of the posted price under the petroleum law for a period not exceeding nine years from the date the company begins production of petroleum from each production area within an exploration block that the Department of Mineral Resources has designated as an offshore block having a waterdepth in excess of two hundred meters under the petroleum law.

The rules and methods for prescribing discounts under paragraph 1 shall be as laid down by the Ministerial Regulation.

If the term of the concession concerning the petroleum production has been extended under the petroleum law because of an interruption of the petroleum production through force majeure, the period of extension shall be excluded from the period prescribed in paragraph 1.”
Countersigned

Sanya Dhammasakdi

Prime Minister