



Revenue Department News

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Subject : The Revenue Department is extending period for the tax policy regarding human resources development and the tax policy that supports the foreign manufacturing base shifting, in order to drive economy when the COVID-19 situation has improved

The cabinet has approved the principle of extending period for the tax policy regarding human resources development in the industry 4.0 and the tax policy that supports the foreign manufacturing base shifting (Thailand Plus Package) to 31st December 2022. This is to promote investment and development in the target industries, and also, to support the foreign manufacturing base shifting. Moreover, these policies aim to promote human resources development and highly-potential personnel hiring, in order to increase the competitiveness of the country and prepare for economy driving after the COVID-19 situation has improved.

Dr. Ekniti Nitithanprapas, the Director-General of the Revenue Department, revealed that, “The Revenue Department, on behalf of the Ministry of Finance, is aware of the importance of our country’s industry improvement, to reach the goal set in the National Strategy and the National Reform Plan. The Revenue Department supports the productivity enhancement and the human resource preparation for the industry 4.0, in order to prepare for economic driving after the COVID-19 situation has improved. Therefore, we proposed to the cabinet the principle of the draft of the Royal Decree issued under the Revenue Code regarding Tax Exemption (No....) B.E. ... (Extending period for the tax policy regarding human resources development and the tax policy that supports the foreign manufacturing base shifting (Thailand Plus Package)) on the 25th May 2021, with the following details:

1. The tax policy regarding human resources development in the industry 4.0 specifies that companies and juristic partnerships can deduct 3 times of the expense for donation towards human resources development for Industry 4.0 promotion centers, established by public educational institutions, private higher educational institutions, or private schools, excluding the non-regulated schools. Moreover, companies and juristic partnerships are exempted from Corporate Income Tax and VAT for the assets donated towards those centers, under the condition that the assets’ cost must not be used as expense in the net profits calculation. Only the donations made between the 1st January 2021 and 31st December 2022 are applicable.

2. The tax policy that supports the foreign manufacturing base shifting (Thailand Plus Package) specifies that companies and juristic partnerships can deduct the expense spent between the 1st January 2021 and 31st December 2022, in the following manners:

- 2.1 Twice of the expense for investment in automatic systems
- 2.2 1.5 times of the expense for hiring highly-proficient personnel
- 2.3 2.5 times of the expense for improving human resources”

Dr. Ekniti Nitithanprapas, the Director-General of the Revenue Department, summarized that, “This extension of tax policies is a continuous operation, to promote the human resources development of our country so that they have higher skills and ready for the industry 4.0. The targeted industries are the mechanism to drive the economy towards the future (New Engine of Growth). Moreover, this extension is to support the foreign manufacturing base shifting and promote the investment in automatic systems in the Eastern Economic Corridor (EEC), and the hiring of highly-proficient personnel. When the Coronavirus 2019 (COVID-19) situation has improved, this will help drive Thailand economy forward continuously.”

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