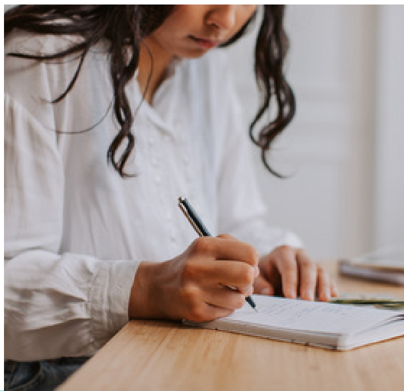
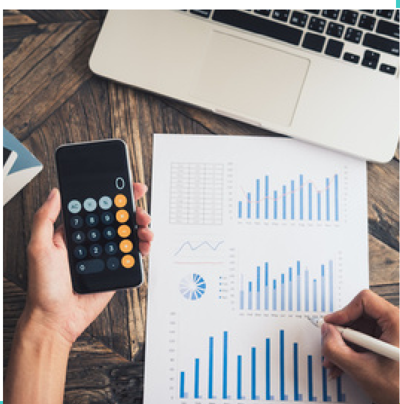
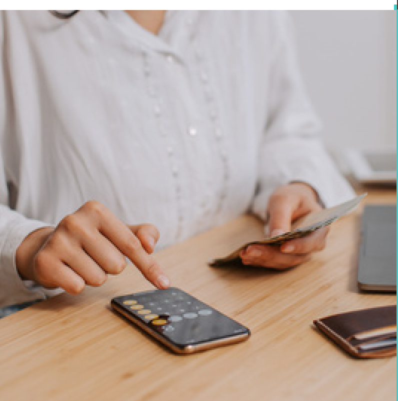
Manual for Foreign Tax Credit Calculation Tool

(Personal Income Tax)







The Revenue Department
November 2025

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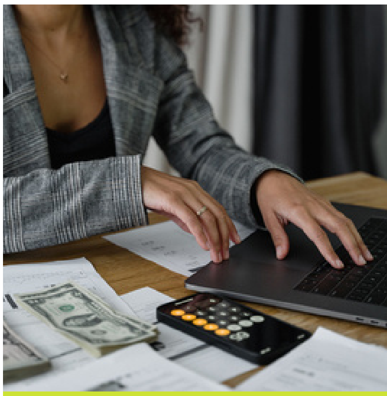

Introduction

The Revenue Department recognizes the importance of providing services to taxpayers in the digital economy, where data and transactions have become increasingly complex and interconnected across countries. The calculation of foreign tax credits for income derived from abroad has therefore become a matter that many taxpayers must pay close attention to and may encounter practical difficulties in its application.

The Revenue Department has developed a tool to assist in calculating foreign tax credits for foreign-sourced income (in the case of personal income tax), together with this user manual, to enable taxpayers to use the tool conveniently, easily understand the calculation process, and ensure compliance with applicable legal principles.

This manual aims to help taxpayers accurately calculate their tax liabilities, reduce errors in filing tax returns, and enhance confidence in exercising tax credit rights as prescribed by law. In addition, it forms part of the Revenue Department's digital service development efforts, which emphasize transparency, fairness, and modernity in tax administration through the development of such tools as part of the e-Filing system for online tax return submission.

The Revenue Department sincerely hopes that this manual will contribute to improving the quality of services provided to taxpayers and support the development of digital tools that are modern, transparent, and aligned with international standards. Ultimately, this will help strengthen Thailand's tax system to be more efficient, accessible, and responsive to taxpayers across all groups.

Foreign Tax Credit Calculation

The Revenue Department has developed a tool to help to calculate foreign tax credits for individuals who have income from abroad. Simply follow the steps below to see if this tool is right for you.

STEP 01 — Are you an individual taxpayer ? ••• No

Yes

STEP 02 — Have you stayed in Thailand for at least 180 days in a calendar year ? ••• No

Yes

STEP 03 — Have you received income from foreign sources since 1 January 2024 ••• No

Yes

STEP 04 — Have you remitted an income into Thailand since 1 January 2024 ? ••• No

Yes

Read Manual
and the Calculation Tool
Foreign Income Tax Credit
Calculation Tool
(Personal Income Tax)

1. Introduction

In an era in which cross-border employment, investment, and the movement of capital have expanded significantly, many individuals may derive income from foreign sources and remit such income into Thailand. Individuals who are residents of Thailand are required to include foreign-sourced income in the calculation of personal income tax in Thailand, provided that the conditions and criteria prescribed by law are met. However, taxation in both the source country and Thailand may result in a burden of "double taxation" between countries.

To alleviate such double taxation, the law grants taxpayers the right to credit "income tax paid in a foreign country" against the income tax payable in Thailand, subject to the rules and conditions set forth in the Revenue Code and the Double Taxation Agreements (DTAs) that Thailand has concluded on a bilateral basis with a total of 61 countries. In cases where a taxpayer derives multiple types of income from both domestic and foreign sources, the calculation of foreign tax credits is often complex and requires a sound understanding of the relevant legal provisions.

Accordingly, the Revenue Department has developed a "**Foreign Tax Credit Calculation Tool for Taxpayers with Foreign-Sourced Income (Personal Income Tax)**" to assist taxpayers in calculating the amount of foreign tax paid that may be claimed as a credit against tax payable in Thailand. This manual has been prepared to provide guidance on the correct, convenient, and user-friendly use of the tool. The manual explains the calculation procedures, data entry requirements, illustrative examples, and clear explanations, enabling taxpayers to calculate foreign tax credits on their own, reduce errors in filing personal income tax returns, and promote voluntary compliance with tax laws.

This manual is intended for:

- Individual taxpayers, both Thai nationals and foreign nationals, who derive income from foreign sources.
- Tax advisors or officials involved in the filing of personal income tax returns.
- Members of the general public who wish to understand the use of foreign tax credits for foreign-sourced income.

The Revenue Department sincerely hopes that this manual will be beneficial to all taxpayers in exercising their rights to foreign income tax credits accurately, transparently, and fairly, thereby contributing to the development of Thailand’s tax system in line with international standards and supporting efficient tax administration and collection in the future.

2. Overview of the Use of Foreign Tax Credits for Foreign-Sourced Income

The taxation of the same category of income earned by the same individual may give rise to a burden of international double taxation, imposed by both the source country of the income and the country of residence. In principle, such double taxation may arise in two cases:

Case 1 Thailand imposes tax based on the source principle, while the other country imposes tax based on the residence principle.

Case 2 Thailand imposes tax based on the residence principle, while the other country imposes tax based on the source principle.

Each case must be considered separately, depending on the specific facts and circumstances of each taxpayer, such as the individual's residence status in Thailand or abroad, the nature of the income, and the provisions of the relevant Convention for the Avoidance of Double Taxation (Double Taxation Agreement: DTA).

In order to alleviate or eliminate international double taxation (Double Taxation Relief), DTAs provide various methods for relief. One such method is the granting of a foreign tax credit (Foreign Tax Credit: FTC) to residents of Thailand, allowing income tax paid in a foreign country to be credited against income tax payable in Thailand.

This manual has been prepared for use in cases where Thailand imposes tax based on the residence principle (Case 2), in which the taxpayer is a resident of Thailand (Staying in Thailand for an aggregate period exceeding 180 days in a calendar year) and derives income from foreign sources. Once such income is remitted into Thailand, it must be included in the calculation of income tax payable in Thailand. In such cases, the taxpayer may be entitled to credit the income tax paid in the foreign country against the income tax payable in Thailand, subject to the rules and conditions prescribed in the applicable DTA between Thailand and the foreign country, as well as the relevant domestic law.

Nevertheless, the entitlement to claim a foreign tax credit also requires consideration of the taxpayer's residence status as defined under the DTA, which may differ from the definition under domestic law. The determination of residence status under a DTA is a key factor in establishing tax benefits and in correctly claiming a foreign tax credit. Once the taxpayer understands these principles, the procedures for determining eligibility to claim a foreign tax credit for foreign-sourced income may be followed in summary as outlined below.

Step 1: Review of Relevant Domestic Tax Laws

The taxpayer must begin by considering the relevant domestic law governing personal income tax. The review may be undertaken sequentially as follows:

1.1 Determine whether the individual deriving income from foreign sources qualifies as a "resident of Thailand" under Section 41, paragraph three, of the Revenue Code. This determination is based on whether the individual resides in Thailand for a single period or multiple periods totaling at least 180 days in the relevant tax year (calendar year). If this condition is satisfied, the individual is deemed liable to Thai income tax on **income derived from foreign sources upon remittance of such income into Thailand.**

1.2 If the individual qualifies as a "resident of Thailand" in the year in which the foreign-sourced income is derived, further consideration must be given to whether such assessable income has been "remitted into Thailand." **Where the income has been remitted into Thailand**, the taxpayer is required to include such income in the computation of personal income tax under the Revenue Code in the tax year in which the income is remitted, in accordance with the conditions prescribed by law.

- **Foreign-sourced income** refers to income arising from employment, the conduct of business, or any activity carried out outside Thailand, regardless of whether such income is in the form of salary, wages, service fees, or any other type of income, for example:
  - Income from employment with a foreign company.
  - Income from the consultancy services or professional services performed abroad.
  - Income from the sale of property located outside Thailand.
  - Dividends, interest, or rental income derived from property located outside Thailand.
- **Criteria for being regarded as assessable income** Foreign-sourced income shall be treated as "assessable income" under the Revenue Code and must be included in the computation of personal income tax in Thailand when both of the following conditions are satisfied:
  - The individual deriving the income has the status of a "resident of Thailand" under Section 41 of the Revenue Code; and
  - The foreign-sourced income arising in the year in which the individual has such resident status is remitted into Thailand.

This preliminary review enables taxpayers to determine whether they are liable to pay income tax in Thailand and to identify the tax year in which such income must be included in the personal income tax return.

Relevant Laws and Rulings

- Sections 40 and 41 of the Revenue Code
- Sections 48 and 56 of the Revenue Code
- Royal Decree Issued under the Revenue Code Governing Tax Exemptions (No. 18) B.E. 2505 (1962)
- Revenue Department Order No. P.161/2566 (https://www.rd.go.th/fileadmin/user_upload/kormor/newlaw/dn161A.pdf)
- Revenue Department Order No. P.162/2566 (https://www.rd.go.th/fileadmin/user_upload/kormor/newlaw/dn162A.pdf)

Step 2: Review of Applicable Double Taxation Agreements (DTAs)

A taxpayer who derives income from a country that is a contracting party to a Double Taxation Agreement (DTA) with Thailand may be entitled to claim a foreign tax credit for the income tax paid in that foreign jurisdiction, in order to reduce the amount of income tax payable in Thailand, in accordance with the applicable rules for the elimination of double taxation. Nevertheless, the exercise of such entitlement must be considered in light of the specific provisions of the relevant DTA on a country-by-country basis, as the detailed rules, conditions, and taxing rights may vary among individual agreements, the following considerations must be made:

- Consider whether the source country of the foreign-sourced income is a country that has a Double Taxation Agreement (DTA) with Thailand.
    - If a DTA exists: a foreign tax credit may be available (subject to the taxing rights and applicable tax rates specified in the relevant DTA).
    - **If no DTA exists: a foreign tax credit cannot be claimed in respect of such foreign-sourced income.**
- Consider whether tax has been paid in the foreign country; the taxpayer must have actually paid income tax on such income in the foreign jurisdiction in order to be eligible to claim a foreign tax credit.
- Consider the method for the elimination of double taxation as prescribed in the DTA. **This guidance applies only to the calculation of the ordinary tax credit (Ordinary Tax Credit) method.**
- Consider the category of income in accordance with the relevant provisions of the DTA, as each country and each type of income may be subject to different conditions. This also includes reviewing the maximum tax rate (tax rate cap) that the contracting state is entitled to impose, as specified in the DTA.

At present, Thailand has entered into 61 Conventions or Agreements for the Avoidance of Double Taxation (Double Taxation Agreements: DTAs). A key relevant provision is the article on the elimination of double taxation, which requires Thailand to grant taxpayers the right to credit the income tax paid in a foreign country against the income tax calculated in Thailand. However, **the amount of such credit must not exceed the amount of Thai tax calculated on that portion of income (credit limit) and shall not include any penalties or surcharges paid in the foreign country.** Accordingly, a careful and thorough review of the provisions of the relevant tax treaties will enable taxpayers to exercise their rights correctly and to eliminate double taxation effectively. Further information is available on the website of the Revenue Department or by scanning the QR code below.

Double Taxation Agreements

DTA Manual

Step 3: Preparation for the Calculation of the Foreign Tax Credit

Prior to claiming a foreign tax credit, the taxpayer must prepare and retain relevant supporting documents for the calculation of the foreign tax credit in respect of foreign-sourced income, as well as for evidencing the payment of tax in the foreign jurisdiction and the remittance of such income into Thailand, for the purpose of verification by tax officials. Such documents include, for example:

- Foreign income tax returns that have been filed and tax payments made in the foreign country;
- Foreign withholding tax certificates (Withholding Tax Certificates);
- Evidence of tax payments or official tax receipts issued by the foreign tax authority;
- Evidence of the remittance of funds into Thailand, such as bank transfer slips or bank statements.

Step 4: Calculation of the Income Tax Credit Using the Ordinary Tax Credit Method (Ordinary Tax Credit Method)

The foreign tax credit is calculated in accordance with established principles in order to prevent double taxation between Thailand and the source country of the income. The key operational rules are as follows:

- The calculation of the foreign tax credit must be carried out separately **by source country** and **by type of income**, in order to allow for an accurate comparison of applicable tax rates. For example, if a taxpayer receives salary income (Section 40(1)) and interest income (Section 40(4)) from Japan and Singapore, the calculation must be separated into four items, namely: Japan–40(1), Japan–40(4), Singapore–40(1), and Singapore–40(4). This separation ensures the accuracy and clarity of the tax computation and the subsequent verification process.
- The amount of foreign tax credit allowable must not exceed the amount of Thai income tax calculated on that portion of income (the "credit limit"). Where the amount of tax paid in the foreign country exceeds the Thai tax calculated, the excess amount may not be carried forward to subsequent tax years.
- For the purpose of converting foreign currency into Thai baht for the calculation of income tax and the foreign tax credit, the taxpayer must apply either the exchange rate of a commercial bank on the date the income is remitted into Thailand, or the reference exchange rate published by the Bank of Thailand at the end of the business day immediately preceding the date of remittance into Thailand.

Once the amount of the foreign tax credit has been calculated, the taxpayer must report the relevant information in the Personal Income Tax Return (Form P.N.D. 90 or P.N.D. 91), by declaring the assessable income derived from abroad and the amount of foreign tax credit claimed in the designated sections of the return.

Illustrative Examples (Assuming Thailand as the Country of Residence)

- **Case 1: No DTA**

The taxpayer receives interest income from Country X, which does not have a Double Taxation Agreement with Thailand. Upon remittance of such income into Thailand, the income is subject to Thai income tax pursuant to Section 41 of the Revenue Code. The foreign-sourced income must be included in the computation of personal income tax, and **no foreign tax credit is available in respect of such income.**

- **Case 1: No DTA**

The taxpayer receives dividend income and/or interest income from Country Y, which has a Double Taxation Agreement with Thailand, and the DTA grants taxing rights to both Thailand and Country Y. The taxpayer is required to include such income in the computation of personal income tax in the tax year in which the income is remitted into Thailand. The taxpayer is entitled to credit the income tax paid in Country Y against the income tax payable in Thailand, in proportion to the amount of income remitted, provided that the credit does not exceed the amount of Thai tax calculated on that portion of income.

3. Recommendations for Using the Tool for Calculating Foreign Tax Credits

1. Taxpayers must review their eligibility and the details of foreign tax credit entitlements under the applicable Double Taxation Agreement (DTA) between Thailand and the source country of income in each case.
2. The tool for calculating foreign tax credits for foreign-sourced income is intended solely to support the filing of personal income tax returns (Forms P.N.D. 90 and P.N.D. 91).
3. Taxes paid abroad other than income tax cannot be used in conjunction with the tool for calculating foreign tax credits for foreign-sourced income or this manual.
4. The calculation of foreign tax credits must be performed separately for each type of income and for each country. Combined calculations in a single instance are prohibited, as this may result in inaccurate tax credit calculations.

5. For the purpose of calculating personal income tax and foreign tax credits, foreign currency must be converted into Thai Baht using either: the commercial bank exchange rate on the date the income is remitted into Thailand; or the reference exchange rate announced by the Bank of Thailand as of the end of the business day preceding the date the income is remitted into Thailand.
6. Taxpayers must prepare and retain complete supporting documents evidencing tax payments made abroad for verification by tax officials, such as withholding tax certificates, tax payment receipts, and foreign tax returns filed abroad, as applicable.

4. Steps for Calculating Foreign Tax Credit

The Foreign Tax Credit Calculation Tool for individuals is designed to assist taxpayers who earn income from overseas and remit such income into Thailand. This tool allows users to input relevant information and automatically calculates the allowable foreign tax credit in a convenient and efficient manner, reducing the complexity of manual calculations.

The calculation process is divided into three main parts, as follows:

Part 1: Input of assessable income earned from foreign sources

Part 2: Input of assessable income to be used for foreign tax credit calculation

Part 3: Foreign tax credit allowable under Thai law (Credit Limitation)

Once all three parts are completed, the calculated foreign tax credit can be used for completion of the Personal Income Tax Return (Forms PND.90 / PND.91).

Foreign Tax Credit Calculation Tool for Individuals with Foreign-Sourced Income (Personal Income Tax)

เครื่องช่วยคำนวณเครดิตภาษีสำหรับผู้มีเงินได้จากต่างประเทศ (กรณีภาษีเงินได้บุคคลธรรมดา) - Foreign Tax Credit Calculator

คำแนะนำ:
1. ผู้เสียภาษีต้องดำเนินการตรวจสอบสิทธิและรายละเอียดการเครดิตภาษีตามอนุสัญญาภาษีซ้อนแต่ละฉบับ รวมถึงกฎหมายที่เกี่ยวข้อง
2. เครื่องนี้มือใช้สำหรับการคำนวณเครดิตภาษี กรณีภาษีเงินได้บุคคลธรรมดา ภ.ง.ด.90 และ ภ.ง.ด.91 เท่านั้น
3. สามารถศึกษารายละเอียดเพิ่มเติมได้ที่ คู่มือการใช้เครื่องมือช่วยคำนวณเครดิตภาษี

1. ข้อมูลเงินได้พึงประเมินที่นำเข้ามาจากต่างประเทศ

	[Drop Down List]	[Drop Down List]	[Drop Down List]	[Input ข้อมูลจากผู้เสียภาษี]	[Input ข้อมูลจากผู้เสียภาษี]	[Input ข้อมูลจากผู้เสียภาษี]	[Auto - Generate]	[Auto - Generate]
ลำดับ	(A) ปีภาษีที่เกิดเงินได้	(B) ประเทศแหล่งเงินได้	(C) ประเภทเงินได้	(D) จำนวนเงินได้ในต่างประเทศ	(E) จำนวนภาษีชำระใน ต่างประเทศ	(F) จำนวนเงินได้ในต่างประเทศที่ นำเข้ามาในประเทศ	(G)=[(F)/(D)] * (E) จำนวนภาษีชำระไว้ใน ต่างประเทศสำหรับเงินได้ พึงประเมินจาก ต่างประเทศ	(H) = [(F)/(D)] สัดส่วนเงินได้ ต่างประเทศที่นำเข้ามา
1								
2								
3								
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5								
6								
7								
8								
9								
10								
รวม								

2. ข้อมูลเงินได้พึงประเมินที่ต้องนำมาคำนวณเครดิตภาษี

(I) เงินได้พึงประเมินจากต่างประเทศ	-	[Auto - Generate]
(J) เงินได้พึงประเมินในประเทศไทย		[Input ข้อมูลจากผู้เสียภาษี]
(K) เงินได้พึงประเมินรวมจากทุกแหล่งเงินได้ (Gross Income)	-	[Auto - Generate]
(L) ภาษีที่ต้องชำระในประเทศไทย		[Input ข้อมูลจากผู้เสียภาษี]

3. เครดิตภาษีที่สามารถใช้ได้ตามกฎหมายไทย [Auto - Generate]

(M) ประเทศ	(N) จำนวนเงินได้ในต่างประเทศที่ นำเข้ามาในประเทศ รวม (3) แยกตามประเทศ	(O) จำนวนภาษีชำระไว้ในต่างประเทศ สำหรับเงินได้ที่นำเข้ามา รวม (4) แยกตามประเทศ	(P) เครดิตภาษีที่คำนวณได้ (คำนวณเพดานเครดิตภาษี)	(Q) เครดิตภาษีที่สามารถใช้ได้ตาม กฎหมายไทย (เปรียบเทียบ (O) และ (P)) [ใช้จำนวนที่น้อยกว่า]
รวม				

4. รวมเครดิตภาษีที่สามารถใช้ได้ตามกฎหมายไทย [Auto - Generate] (นำไปกรอกในแบบ ภ.ง.ด. 90 / ภ.ง.ด. 91)

Part 1: Input of Assessable Income Earned from Foreign Sources

Part 1 is the first step of the foreign tax credit calculation. Taxpayers are required to provide details of **income earned abroad** and **foreign tax paid**, which will be used to determine the amount of foreign tax credit that can be offset against Thai income tax.

Example for Table Part 1

ลำดับ	(A) ปีภาษีที่เกิดเงินได้	(B) ประเทศแหล่งเงินได้	(C) ประเภทเงินได้	(D) จำนวนเงินได้ในต่างประเทศ	(E) จำนวนภาษีชำระในต่างประเทศ	(F) จำนวนเงินได้ในต่างประเทศที่นำเข้ามาในประเทศ	(G)=[(F)/(D)]*(E) จำนวนภาษีชำระไว้ในต่างประเทศ สำหรับเงินได้พึงประเมินจากต่างประเทศ	(H)=[(F)/(D)]*100 สัดส่วนเงินได้ต่างประเทศที่นำเข้ามา
							(ระบบคำนวณให้อัตโนมัติ)	*(ระบบคำนวณให้อัตโนมัติ)*
รวม								

1.1 Data Entry Instructions

1. Year income is derived (A)

- Specify the actual year in which the income was earned (e.g. 2024 or 2025). The income must be remitted into Thailand in the tax year for which the foreign tax credit is claimed.
- If the income was earned prior to 1 January 2024 and remitted into Thailand on or after 1 January 2024, such income is **not required** to be included, as it is not subject to Thai personal income tax.

2. Source country (B)

- Specify the country where the income originated (e.g. Vietnam, China) by selecting from the tool's predefined list.
- If income is derived from multiple countries, the income must be entered separately by country, as foreign tax credit calculation is performed on a country-by-country basis and may affect the maximum allowable credit.

Example: Salary income from Japan and Singapore must be reported as two separate entries (Japan-40(1) and Singapore-40(1)).

Foreign tax credit can only be claimed if Thailand has a Double Tax Agreement (DTA) with the source country.

3. Type of income (C)

- Specify the type of income under Section 40(1)–(8) of the Revenue Code, based on the actual nature of income and as reported in Forms PND.90 / PND.91.
- If multiple types of income exist, they must be entered separately to ensure accurate calculation.

Example: Salary and interest income from Japan must be entered separately as Japan-40(1) and Japan-40(4).

4. Total foreign income (D)

- Specify the total income earned abroad, converted into Thai Baht.
- Foreign currency must be converted using the exchange rate **on the date the income was remitted into Thailand**.

Exchange Rate Calculation

(1) Commercial bank buying rate on the remittance date, or

(2) Average buying rate announced by the Bank of Thailand (https://www.bot.or.th/th/statistics/exchange-rate.html)

In accordance with Section 9 of the Revenue Code.

Example: Mr. A receives income from abroad in the amount of USD 1,000 and remits the funds into Thailand on 1 October 2025.

On such date:

- A commercial bank announces the Buying Rate on 1 October 2025 at 36.20 THB/USD.
- The Bank of Thailand announces the Average Buying Rate at 36.15 THB/USD (announced on 30 September 2025 at 18:00 hrs.).

Calculation Method (either method may be selected):

Method 1: Using the commercial bank exchange rate: USD 1,000 × 36.20 THB/USD = 36,200 THB

Method 2: Using the Bank of Thailand exchange rate: USD 1,000 × 36.15 THB/USD = 36,150 THB

5. **Foreign Tax Paid (E)**

- Specify the amount of tax withheld or paid overseas corresponding to each type of income.
- If the foreign tax paid represents a combined payment for multiple types of income, **the tax must be allocated proportionately based on the share of income for each type**, in order to ensure accurate foreign tax credit calculation.

Example: Mr. A earns income from abroad consisting of:

Salary income: 600,000 THB Royalty income: 400,000 THB

Total foreign income: 1,000,000 THB Total foreign tax paid: 200,000 THB

Method for allocating foreign tax by income type:

$$\text{Foreign tax allocated to each income type} = \frac{\text{Income of that type}}{\text{Total income}} \times \text{Total foreign tax paid}$$

Salary: (600,000 ÷ 1,000,000) × 200,000 = 120,000 THB

Royalty: (400,000 ÷ 1,000,000) × 200,000 = 80,000 THB

Therefore, in column (E), the taxpayer must enter:

Salary income tax paid: 120,000 THB (one entry), and

Royalty income tax paid: 80,000 THB (one separate entry).

The two amounts cannot be combined into a single line item.

6. **Foreign Income Remitted into Thailand (F)**

- Specify the amount of foreign income remitted into Thailand for the relevant tax year, separated by source country and type of income.
- Foreign currency must be converted into Thai Baht using the exchange rate on the date the income was remitted into Thailand (as described in item 4.1).

1.2 Verification of Foreign Tax Paid Attributable to Foreign Assessable Income (G)

(Automatically calculated by the tool)

- After completing items (A)–(F), the tool will automatically calculate the portion of foreign tax attributable to the remitted foreign income, in proportion to the income remitted into Thailand.
- The calculation formula is as follows:

Foreign tax attributable to remitted income **(G)**

$$= \frac{\text{Foreign income remitted into Thailand } \mathbf{(F)}}{\text{Total foreign income } \mathbf{(D)}} \times \text{Foreign tax paid } \mathbf{(E)}$$

1.3 Percentage of Foreign Income Remitted into Thailand (H) *(Automatically calculated by the tool)*

The tool calculates **the percentage of foreign income remitted into Thailand (H)** to determine the proportion of remitted income relative to total foreign income (D), using the following formula:

$$\text{Percentage of foreign income remitted } \mathbf{(H)} = \frac{\text{Foreign income remitted into Thailand } \mathbf{(F)}}{\text{Total foreign income } \mathbf{(D)}} \times 100$$

Part 2: Input of Assessable Income for Foreign Tax Credit Calculation

Part 2 aims to determine the amount of tax payable in Thailand and to prepare the data required for foreign tax credit calculation in Part 3. The information consists of the following:

(I)	**Foreign assessable income remitted into Thailand** – Total (F)	*(Automatically calculated)*
(J)	**Domestic assessable income**	
(K)	**Total assessable income from all sources (Gross Income)** – (K) = (I) + (J)	*(Automatically calculated)*
(L)	**Thai tax payable** – based on Forms PND.90 / PND.91	

1. Foreign assessable income remitted into Thailand (I) *(Automatically calculated)*

- The tool automatically calculates this amount based on item (F) “Foreign income remitted into Thailand”.

2. Domestic assessable income (J)

- Specify the total assessable income **earned in Thailand** under Section 40(1)–(8) of the Revenue Code, before deduction of expenses and allowances. This amount can be derived from the Personal Income Tax Return (Forms PND.90 / PND.91).

3. **Total assessable income from all sources (Gross Income) (K)** *(Automatically calculated)*

- The tool will automatically calculate the total assessable income from all sources (K) by combining the information under Item 1: Assessable income from foreign sources remitted into Thailand (I) and Item 2: Assessable income from sources in Thailand (J), using the following calculation formula:

Gross Income (K) = Foreign assessable income remitted **(I)** + Domestic assessable income **(J)**

4. **Thai Tax Payable (L)**

- Specify the amount of personal income tax payable in Thailand, calculated from <u>**total assessable income (K) after deducting allowable expenses and allowances**</u>, in accordance with Thai tax law.
- This information can be verified from Forms PND.90 / PND.91, Item 11 "Tax Calculation" ⟶ "Tax Payable".

  Once items (J) and (L) are completed, the tool will use this information as the basis for foreign tax credit calculation in Part 3.

Part 3: Foreign Tax Credit Allowable under Thai Law (Credit Limitation)

Part 3 is the final stage of the foreign tax credit calculation. The tool automatically performs the calculation using data from Parts 1 and 2, consisting of the following components:

(M) Country	(N) Foreign income remitted into Thailand	(O) Foreign tax attributable to remitted income	(P) Calculated credit limit (Calculate tax credit limit)	(Q) Allowable foreign tax credit (Compare (O) and (P) by using the smaller number)
(Automatically calculated)	*(Automatically calculated)*	*(Automatically calculated)*	*(Automatically calculated)*	*(Automatically calculated)*
Total				*(Automatically calculated)*

3.1 Country (M) *(Automatically calculated)*

- The tool retrieves the source country information from Part 1, column (B).

3.2 Foreign income remitted into Thailand (N) *(Automatically calculated)*

- The tool summarizes the amounts from **Part 1, column (F)**, grouped by country.

3.3 Foreign tax attributable to remitted income (O) *(Automatically calculated)*

- The tool retrieves the foreign tax attributable to remitted income from **Part 1, column (G)**, grouped by country.

3.4 Calculated Foreign Tax Credit Limit (P) *(Automatically calculated)*

- The calculated foreign tax credit limit represents the maximum amount of foreign tax that can be credited against Thai tax. The calculation formula is as follows:

$$\text{Calculated credit limit } \mathbf{(P)} = \frac{\text{Foreign income remitted into Thailand } \mathbf{(N)}}{\text{Total assessable income } \mathbf{(K)}} \times \text{Thai tax payable } \mathbf{(L)}$$

(Before deduction of expenses and allowances)

3.5 Allowable Foreign Tax Credit under Thai Law (Q) *(Automatically calculated)*

- The system compares: Foreign tax attributable to remitted income (O), and Calculated credit limit (P), and determines the allowable foreign tax credit (Q) as follows:

Allowable foreign tax credit (Q) = **Whichever amount is lower** between the foreign tax paid the income remitted into Thailand (O) **and** the calculated foreign tax credit (P)

Case 1: If (O) > (P) ⟶ Allowable foreign tax credit (Q) = (P)

Case 2: If (O) ≤ (P) ⟶ Allowable foreign tax credit (Q) = (O)

- Since the Double Tax Agreement (DTA) stipulates that "where a person who is a resident of Thailand derives income from abroad and has paid tax in the source country, Thailand shall allow such tax to be credited against the tax payable in Thailand; however, the amount of such tax credit **shall not exceed the foreign tax paid on the income remitted into Thailand and shall not exceed**

the calculated foreign tax credit limitation," therefore, in order to exercise the entitlement to a foreign tax credit correctly and in accordance with the applicable law, it is always necessary to compare the foreign tax paid on the income remitted into Thailand (O) with the calculated foreign tax credit (P) in advance, in order to determine the amount of foreign tax credit allowable under the law.

After completing all three parts, the allowable foreign tax credit will appear in the total field under "Allowable Foreign Tax Credit (Q)" and can be reported in the Personal Income Tax Return as follows:

- PND.90: Item 11 "Tax Calculation" ⟶ Sub-item "Foreign Tax Credit"
- PND.91: Item (a) ⟶ Sub-item "Foreign Tax Credit"

For e-Filing submissions, the system will automatically calculate and populate the foreign tax credit information.

กรมสรรพากร
THE REVENUE DEPARTMENT

For further information, please contact

RD Intelligence center : 1161 or
International Tax Division, The Revenue Department