

How to pay taxes properly when husband and wife operate business together

1. Value added Tax : VAT

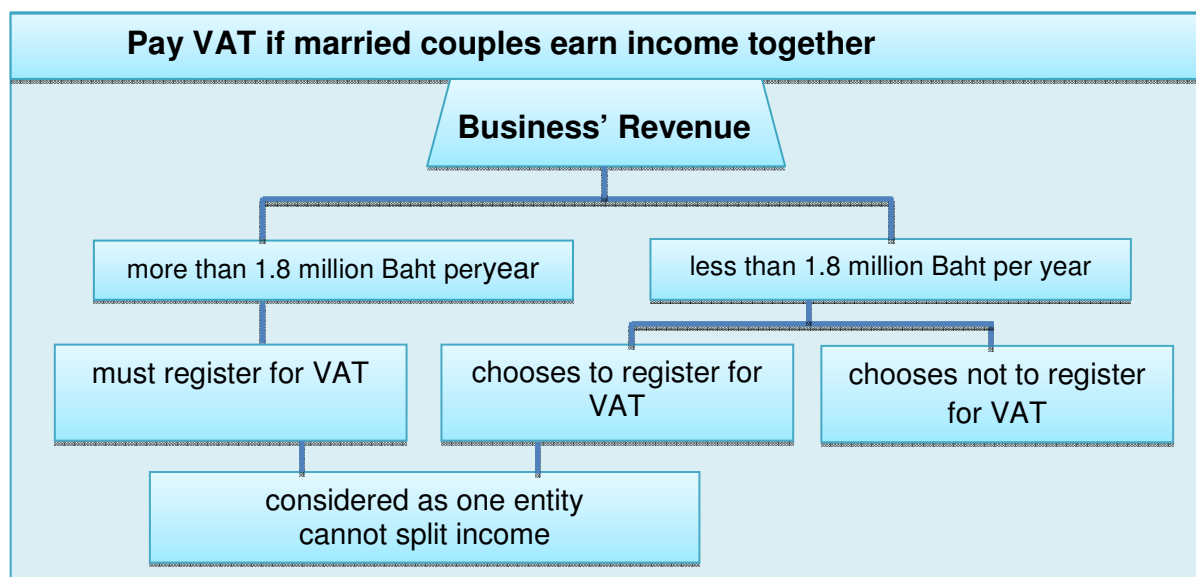
Filing of Value Added Tax : VAT

Where husband and wife work in a business together and receive income of more than 1,800,000 Baht per year married couple must register for VAT in their names. Married couple must include all their income and file in the VAT filing form. Married couple must not split their income because under the Revenue Code it considers married couple as one entity.

On the other hand, business that generates income less than 1,800,000 Baht per year can also apply to the Director General that married couple wants to register for VAT.

Businesses that must register for VAT

1. Sale of goods or render professional services by business owners.
2. Import goods by importer.



2. Personal income tax, there are 8 types of income :

- 1) Income from employment either salary, wages bonus or pension
- 2) Income from a post from performance of work either in the form of fee, commission, discount or allowance

3) Fee of goodwill, copyright or any other right, annuity or annual payment of income derived from a will

4) Income from interest, dividends, share of profit or other gains

5) Money or other gains from rent of property, branch of a hire purchase contract or branch of an installment sale contract

6) Income from liberal professions such as laws, arts, engineer etc

7) Income from a contract of work where the contractor has provided essential material beside tools

8) Income from business, commerce, agriculture, industry, transport or any other activity not specified in 1-7

The filing of a Personal Income Tax : PIT

Husband and wife have the option to file business income from previous tax year as follows :

1. Choose to file taxes together (combined filing) husband and wife must file their total income and pay tax in husband or wife name.

2. Separate file, husband and wife can split their business income and file separately

2.1) Income where spouse can clearly split each other's income "husband and wife" will file and pay taxes separately.

2.2) Where income cannot be easily split, each spouse should split their income equally

2.3) Income from commerce, agriculture, industrial etc. spouse can split their income according to their contribution but the combined income must not be less than business income, if the share cannot be agreed then income should be split equally.

Paying Personal Income Tax of married couples who operates business together

