

Tax & Legal Newsletter

January 2023

Rules and criteria provided for tax incentives with respect to domestic training seminars arranged for employees

A notification from the Director-General of the Thai Revenue Department (No. 429) issued on 20 December 2022 sets forth the rules, criteria, and conditions for claiming the additional corporate income tax deduction with respect to qualifying expenses that companies or juristic partnerships paid for hosting employee training seminars in Thailand from 15 July 2022 to 31 December 2022. The additional deduction of 50% or 100% of qualifying expenses (i.e., a total deduction of 150% or 200%, depending on the circumstances) is allowed by a royal decree (No. 757) issued on 8 November 2022. A summary of the rules and criteria in the notification is provided below:

- The domestic training seminar for employees must be held in the interest of the company (or juristic partnership), and documentation that supports the training seminar must be readily available for inspection by a tax assessment officer.
- Expenses paid for seminar rooms and hotel rooms may qualify for the additional deduction even if they are paid to rent seminar rooms and hotel rooms at different locations. However, such expenses must be related to the same training seminar.
- Service fees paid to tourism business operators must be supported by written documentation confirming that the tourism business operator has been registered under the law on tourism.
- Companies or juristic partnerships that wish to claim the additional corporate income tax deduction under Royal Decree No. 757 may not claim the tax deduction for certain employee training expenses allowed under Royal Decree No. 437, issued on 15 October 2005.

In addition, an attachment to the notification sets forth an additional list of “secondary tourist provinces.” Qualifying expenses incurred in relation to these provinces may be eligible for the additional corporate income tax deduction of 100% (i.e., a total deduction of 200%) under Royal Decree No. 757.

Rules and criteria provided for tax incentive with respect to expenses incurred for participation in domestic trade fairs

A notification from the Director-General of the Thai Revenue Department (No. 430) issued on 21 December 2022 sets forth the rules, criteria, and conditions for claiming the additional corporate income tax deduction of 100% (i.e., a total deduction of 200%) with respect to certain qualifying expenses that companies or juristic partnerships incurred for participating in domestic trade fairs, exhibitions, or trade shows. The additional deduction is allowed by a royal decree (No. 758) issued on 8 November 2022. A summary of the rules and criteria in the notification is provided below:

- Qualifying expenses must have been incurred from 15 July 2022 to 31 December 2022; and
- Companies or juristic partnerships that wish to claim the tax incentive under Royal Decree No. 758 must retain a certificate issued by the event organizer confirming their participation at the domestic trade fair, exhibition, or trade show.

“Shop Dee Mee Kuen 2023” program provides tax deduction for certain purchases

A ministerial regulation (No. 386) issued on 22 December 2022 and a notification from the Director-General of the Thai Revenue Department (No. 431) issued on 29 December 2022 provide that a person who is liable to personal income tax (other than an ordinary partnership or non-juristic body of persons) may be entitled to an income tax deduction under the “Shop Dee Mee Kuen 2023” program, which aims to encourage spending and stimulate the economy, in respect of certain expenses incurred from 1 January 2023 to 15 February 2023. The deduction is available for qualifying expenses of up to THB 40,000 in total and the expenses generally must be incurred for the purchase of goods or services from VAT registrants. A summary of the rules and criteria for the deduction is provided below:

- (1) To qualify for the income tax deduction in respect of amounts up to THB 30,000 incurred for the purchase of goods or services, the taxpayer must retain a full tax invoice (as provided under section 86/4 of the Revenue Code) or a receipt (as provided under section 105 of the Revenue Code) to support the purchase that may be issued in either paper or electronic form.
- (2) To qualify for the income tax deduction in respect of amounts exceeding THB 30,000 but not exceeding an additional THB 10,000 (i.e., not exceeding THB 40,000 in total) incurred for the purchase of goods or services, the taxpayer must retain a tax invoice or a receipt (as described in item (1) above) to support the purchase that must be issued in electronic form.

To claim a personal income tax deduction based on items (1) and (2) above, the taxpayer generally must incur expenses for the purchase of certain types of goods or services from VAT registrants. However, expenses for the purchase of the following types of goods may qualify for the tax deduction even if the purchase is made from a non-VAT registrant:

- Purchases of books;
- Service fees incurred for subscriptions for e-books; and
- Purchases of types of goods registered with the Department of Community Development under the “One Tambon One Product” (OTOP) program.

Expenses incurred for the purchase of the following goods or services are not eligible for the personal income tax deduction:

- Liquor, beer, and wine;
- Tobacco;

- Cars, motorcycles, and boats;
- Newspapers and magazines;
- Subscriptions for e-newspapers and e-magazines via the internet;
- Service fees paid to tour operators under the law on tourism and tour guides;
- Accommodation fees paid to hotel operators under the hotel act;
- Utility bills, water bills, electricity bills, telephone bills, and internet service charges;
- Service fees paid under a service agreement for services that have been or that will be rendered outside the period from 1 January 2023 to 15 February 2023; and
- Premiums for non-life insurance.

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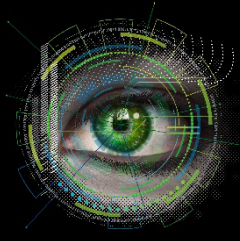
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