



Tax & Legal Newsletter

January 2021

Rules for deductions of interest on loans for purchase, hire purchase, or construction of residences

Notification of the Director-General of the Thai Revenue Department Nos. 396, 397, and 398 prescribe the following rules and procedures for deductions by individual taxpayers of interest on loans for the acquisition (purchase, hire purchase, or construction) of residences:

- The taxpayer must have evidence from the creditor showing that the interest on the loan has been paid.
- Where the creditor carries on the business of (i) banking, (ii) finance, securities, and credit foncier under the law governing operation of the business of finance, securities, and credit foncier, (iii) life insurance, or (iv) secondary mortgages under the law governing secondary mortgage finance, the deduction will be allowed according to the following rules and procedures:
 - For interest paid on loan agreements entered into from 1 January 2021 onward, the taxpayer must inform the creditor of its intention to use the tax deduction.
 - For interest paid on loan agreements entered into before 1 January 2021, if the taxpayer elects not to inform the creditor of its intention to use the tax deduction, the taxpayer must have evidence proving the payment of such loan interest.
- The creditor that is informed of such intention is required to submit information about the taxpayer to the Information Technology Division of the Revenue Department in electronic form, based on the format and method specified on the Revenue Department's website (<http://www.rd.go.th>). Such submission must be made by 15 January of the following year unless otherwise instructed by the Director-General of the Revenue Department.

The above notifications apply to assessable income beginning in tax year 2021, to be reported on tax returns filed as from 2022 onward.

Extension of deadline for filing and payment of taxes for taxpayers in flood area

Due to the flood that occurred in some provinces in the Southern region of Thailand, the Director-General of the Thai Revenue Department issued notifications on 28 December 2020 and 4 January 2021 that extended the deadlines for the following tax return filings, without the imposition of penalties, surcharges, or fines:

- Withholding tax returns (PND.1, PND.2, PND.3, PND.53, and PND.54) and VAT returns (Por.Por.36) for November 2020, which normally were due on 7 December 2020, were extended to 30 December 2020.
- Corporate income tax returns (PND.50, PND.51, PND.52, PND.55 and transfer pricing disclosure form) and stamp duty returns (Aor.Sor.4, Aor.Sor.4Gor, and Aor.Sor.4Kor), which normally were due in December 2020, were extended to 30 December 2020.
- VAT returns (Por.Por.30) and specific business tax (SBT) returns (Por.Tor.40) for November 2020, which normally were due on 15 December 2020, were extended to 30 December 2020.
- Inheritance tax returns (Paw.Mor.60), which normally were due in December 2020, were extended to 30 December 2020.

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