



Tax & Legal Services Newsletter

Deduction for Health Insurance Premiums

Ministerial Regulation No. 334 grants a personal income tax deduction for the actual amount of health insurance premiums paid as from 1 January 2017, up to THB 15,000 during the tax year. The total amount of deductible premiums, including life insurance premiums under section 47(1)(d) of the Thai Revenue Code, may not exceed THB 100,000.

Tax Measures to Promote Establishment of Educational Institutions

The Thai Cabinet has approved a tax measure that aims to encourage donations to educational institution established in Thailand under the agreement between the Thai government and the Specialized Agency of the United Nations. The salient features of the measures are summarized as follows:

- Individuals may claim a double deduction for donations made to such educational institution, but when combined with donation for purposes of promoting education projects approved by the Ministry of Education, the total amount of the deduction may not exceed 10% of the individual's assessable income after taking into account expenses and allowances.

- Companies or juristic partnerships may claim a double deduction for donations to such educational institution, but when combined with donation for purposes of promoting education projects approved by the Ministry of Education and certain public charities, the total amount of the deduction may not exceed 10% of the company's net profits before the deduction of public charitable expense.
- Income derived by individuals or companies from the transfer of assets, the sale of goods as a result of a donation made to such educational institution is exempt from personal income tax, corporate income tax, value added tax, specific business tax and stamp duty.

Tax Measures to Promotion of "Public-Private Collaboration" Project

The Thai Cabinet has approved tax measures to promote public-private collaboration projects by allowing a deduction for actual payments made by companies to support the project or to carry out activities under the project. The deduction may not exceed 5% of net profits after taking into account the double deduction of expenses incurred on such educational support, and may not exceed 10% of net profits before the deduction of public charity expenses incurred in the accounting period starting on or after 1 January 2017 to 31 December 2018.

Tax Exemption on Islamic Deposits

The Thai Cabinet has approved the tax measures relating to money deposits made under Islamic principles:

- A personal income tax exemption is granted on returns from money deposits made with banks in Thailand in accordance with Islamic principles. The exemption will be granted on monthly deposits (where the deposit are made for a period of at least 24 consecutive months as from the first deposit). Each deposit must be equal in amount but cannot exceed THB 25,000 per month, up to a total of THB 600,000 and must be made in accordance with rules, procedures and conditions to be provided by the Director-General of the Revenue Department.
- An additional personal income tax exemption will be granted on returns derived from money deposits with banks in Thailand made in accordance with Islamic principles that are similar to saving and fixed deposits.

Tax Donations to Equitable Education Fund

The Thai Cabinet has approved a draft Equitable Education Fund Act that would establish a fund whose objective would be to grant aid to the disadvantaged. Taxpayers would be able to declare an intention to donate an annual income taxes amount up to THB 5,000 to the fund. Fund donors would be allowed to claim a double deduction for the amount donated. However, the double deduction could not exceed 10% of an individual's assessable income of no more than THB 500,000. In case of juristic persons, the double deduction could not exceed 2% of its' net profits.

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