



**Thailand: Six Tax measurements from the  
Revenue Department to remedy impact from  
COVID-19 (As of April 10, 2020)**

**\*This article is based on the information as of April 10, 2020.**

**On March 10, 2020, the Cabinet approved six tax measures from the Revenue Department in order to remedy the impact from COVID-19**

### **1. Decrease of withholding tax (WHT)**

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Taxpayers, both juristic and natural persons, shall receive a WHT benefit as follows:

- (1) WHT rate shall be decreased to 1.5% from April 2020 - September 2020
- (2) WHT rate shall be decreased to 2% from October 2020 - December 2021 (all payments shall be made online only)

*(Source: Ministry of Finance News No.22/2563 dated 10 March 2020)*

### **2. Decrease of interest for small and medium enterprises (SMEs)**

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Each SME, which will be eligible to receive an assessable income tax exemption of twice the amount of the interest expenses, needs to comply as follows;

- SME must join the government's Low Interest Loan Measure;
- SME must have income not exceeding Baht 500,000,000 for the previous 12 months;
- SME must employ not more than 200 employees;
- SME must have a single account; and
- SME must have an accounting period ending on or before 30 September 2020.

The interest under this measure shall be paid from April – December 2020

*(Source: Ministry of Finance News No.22/2563 dated: 10 March 2020)*

### **3. Tax exemption of three times the amount of employment expenses for SMEs**

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Each SME, which will be eligible to receive an assessable income tax exemption of twice the amount of the interest expenses, needs to comply as follows;

- SME must join the government's Low Interest Loan Measure;
- SME must have income not exceeding Baht 500,000,000 for the previous 12 months;
- SME must employ not more than 200 employees;
- SME must have a single account; and
- SME must have an accounting period ending on or before 30 September 2020.

The interest under this measure shall be paid from April – December 2020

*(Source: Ministry of Finance News No.22/2563 dated: 10 March 2020)*

### **4. Faster VAT refund**

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A VAT registrant shall receive a VAT refund faster according to the following submission methods;

- (1) For an online submission, it shall be within 15 days (down from 30 days).

- (2) For a submission through an Area Revenue Branch Office, it shall be within 45 days (down from 60 days).

*(Source: The Thai Revenue Department's Facebook page)*

URL: <https://is.gd/JcthsB>

## **5. Tax deduction for investment in the (Special) Super Savings Fund**

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In addition to the Super Savings Fund ("SSF") that was launched previously, a taxpayers who invests in the (Special) Super Savings Fund ("Special SSF") shall receive a tax deduction of Baht 200,000 (excluding normal deduction of the SSF). However, such Special SSF must invest in the Stock Exchange in the amount not less than 65% of its net asset value, and the taxpayer must hold such investment for at least 10 years. Furthermore, the tax deduction shall not be subject to the ceiling of money saved for retirement. A taxpayer shall be eligible to the aforesaid tax deduction only for the purchase of said Special SSF from 1 April 2020 - 30 June 2020.

*(Source: The Thai Revenue Department's Facebook page)*

URL: <https://is.gd/JcthsB>

## **6. Tax exemption on the donations to solve the COVID-19 problem**

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The Cabinet approved in principle for a tax exemption on donations made to the Office of the Permanent Secretary, Prime Minister's Office, in order to support a mission to stop and slow down a pandemic of COVID-19, as follows:

- (1) A natural person can deduct for an actual amount donated regarding COVID-19. However, when including this amount with the exempted income on donations under Section 47 (7) of the Thai Revenue Code, it must not exceed 10% of the taxpayer's assessable income after deduction of other expenses and allowances.
- (2) A juristic person can deduct for an actual amount donated regarding COVID-19. However, when including this amount with the exempted income on donations under Section 65 Ter (3) of the Thai Revenue Code, it must not exceed 2% of the net profit.
- (3) A VAT registrant is VAT exempted for donation regarding COVID-19.
- (4) An exemption under this draft Royal Decree shall be enforced for a donation made from 5 March 2020 – 5 March 2021 via the Revenue Department's e-Donation system.

*(Source: Draft Royal Decree issued under the Revenue Code governing tax exemption: six tax measures from the Revenue Department in order to remedy the impact from COVID-19)*

