

NEWSLETTER

The Cabinet approved tax measures and fee reductions for the beginning of the new year

On December 20, 2022, the Cabinet approved tax measures and fee reductions for the transfer of residential property proposed by the Ministry of Finance as a New Year's gift to the public. Following, we summarize the relevant information; ILCT offers a wide range of services encompassing all taxes relating to business and industry, for companies and individuals, do not hesitate to contact us at law@ilct.co.th for any inquiry related to taxation matters.

1. Reduction of Personal Income Tax (PIT) calculation under the “Shop Dee Mee Kuen” Project

The “*Shop Dee Mee Kuen*” Project will allow an individual taxpayer (excluding ordinary partnership or non-juristic body of persons) to reduce PIT of the tax year 2023 up to Baht 40,000 by using domestic goods or service expenses paid between January 1 and February 15, 2023, as an allowance for PIT calculation.

Conditions apply to the goods and services that, if purchased, can be used as an allowance:

- Purchase of goods or services from VAT registrants;
- Purchase of books or e-books; and
- Purchase of registered One Tambon One Product (OTOP) goods.

Moreover, there are two additional guidelines to record the expenses as an allowance:

- A. Expenses for goods or services not exceeding Baht 30,000 must be accompanied by a full-form tax invoice or receipt in paper form, e-tax invoice, or e-receipt, as the case may be;
- B. Expenses for goods or services exceeding Baht 30,000 by no more than Baht 10,000 (limit of Baht 40,000) must be accompanied by an e-tax invoice or e-receipt, as the case may be.

Receipts and e-receipts are accepted in the case of purchasing books, e-books, or OTOP goods only.

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Goods and services that are excluded from the measure are:

1. Liquor, beer, and wine
2. Cigarettes
3. Cars, bicycles, and boats
4. Newspapers, magazines
5. E-newspapers and e-magazines
6. Tour guide fees
7. Accommodation fees paid to hotels
8. Utility fees, water fees, electricity fees, telephone fees, internet fees
9. Service fees under a long-term service agreement incurred before January 1, 2023, or ending after February 15, 2023, although they will be paid from January 1 to February 15, 2023, such as membership fees
10. Non-life insurance premiums

The Ministerial Regulation providing the details on the “Shop Dee Mee Kuen” Project was published in the Government Gazette on December 29, 2022.

2. Reduction of Land and Building Tax (L&B Tax)

L&B Tax calculated for the tax year 2023 will be reduced by 15% of the amount.

3. Reduction of Transfer Fee and Mortgage Registration Fee

1. The Transfer Fee will be reduced from 2% to 1%; and
2. The Mortgage Registration Fee will be reduced from 1% to 0.01%

Conditions to the reductions apply:

- (1) The reductions apply to the transfer of immovable property, including residential properties, such as a single house, a semi-detached house, a townhouse, a commercial building, a condominium unit, and lands.
- (2) The purchase price and the appraised price of the property shall not exceed Baht 3 million;
- (3) The mortgage value shall not exceed Baht 3 million;



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- (4) The buyer shall hold Thai nationality; and
- (5) The registration of the transfer and mortgage is made at the same time.

The Ministerial Regulations providing the details on the fee reduction was published in the Government Gazette on January 3, 2023. As a consequence, the fee reduction will be effective from January 3, 2023, to December 31, 2023.

ILCT Ltd. | บริษัท ไอแอลซีที จำกัด

+66 2 679 6005 +66 2 679 6041 www.ilct.co.th law@ilct.co.th

175 Sathorn City Tower, 18th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120