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Thai Cabinet Approves Comprehensive Tax Measures to Revitalize Domestic Tourism

In a significant move towards enhancing the domestic tourism sector, the Cabinet has endorsed a series of tax measures tailored to ignite domestic tourism on June 4, 2024. These measures, meticulously crafted, are purposed to not only facilitate the sustained recovery of the Thai tourism industry but also to stimulate domestic tourism and fortify the domestic economy. The multifaceted approach of these measures encompasses two distinct components as follows.

Corporate Income Tax for Domestic Seminar and Training Events:

Under this tax measure, companies or juristic entities can subtract various costs for seminar rooms, lodging, transportation, and other expenses linked to seminars held within Thailand for their employees, or fees paid to tourism business operators. These eligible expenses, which deduct as taxable expense for corporate income tax, occur between May 1, 2024, and November 30, 2024. Following this measure requires providing electronic full-form tax invoices (e-Tax Invoice).

It is noteworthy that transportation fee disbursed to non-VAT registrants require electronic receipts (e-Receipt).

Tax benefits:

Expenses can be deducted up to twice the actual expenses incurred for seminars held in secondary tourist provinces or other tourist areas as prescribed by the Director-General of the Revenue Department. Alternatively, expenses can be deducted up to 1.5 times the actual expenses for seminars held in other provinces.

Personal Income Tax for Domestic Tourism Expenses:

Individual taxpayers can deduct service fees paid to tourism business operators or service fees for staying in hotels, homestays, or non-hotel accommodation during domestic travel in secondary tourist provinces.

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These expenses count as an allowance for personal income tax equal to an actual amount but not exceeding 15,000 Baht and apply during the Low Season, from May 1, 2024, to November 30, 2024. To get these deductions, they must provide electronic full-form tax invoices (e-Tax Invoice).

These meticulously crafted tax measures represent a concerted effort by the Thai government to resuscitate the ailing tourism sector, which has borne the brunt of the COVID-19 pandemic. By fostering domestic tourism during the Low Season, these measures not only aim to rejuvenate the tourism industry but also to bolster the domestic economy. As with any legal matter, it is advisable to seek professional advice before taking any actions. For further information or assistance, please feel free to contact us at law@ilct.co.th.