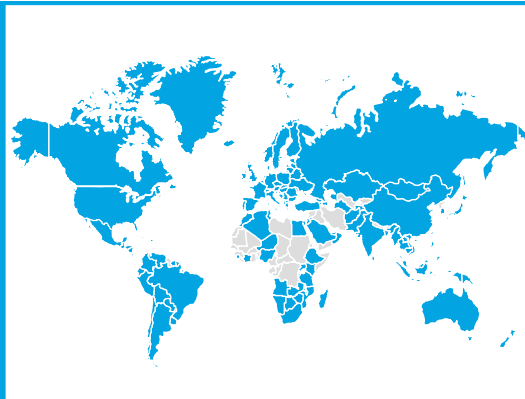


# INPATRIATES

## Thailand

### Tax facts for international assignees



#### INCOME TAX: WHO IS LIABLE

Every person, resident or non-resident, who derives assessable income from employment or business carried on in Thailand is subject to Thai personal income tax, unless exempted under the provisions of a Double Tax Agreement (DTA). This is regardless of whether such income is paid in or outside of Thailand.

Resident individuals are also subject to personal income tax on foreign source income to the extent that it is paid in or remitted to Thailand in the year it is received.

Employers are required to withhold income tax from salaries and other benefits paid to employees.

#### Residency

An individual who is present in Thailand for a total of at least 180 days in a tax year (calendar year) is treated as a resident of Thailand for tax purposes.

Non-residents are individuals other than residents. Non-residents who derive assessable income from employment or business carried on in Thailand are subject to Thai personal income tax on such income. This is regardless of the resident status of the recipient, where the payments are made or whether the employment is permanent or temporary in nature.

#### Taxable Income

Thailand imposes personal income tax on the Thai-source income of both resident and non-resident individuals. This is regardless of the resident status of the recipient, where the payments are made or whether the employment is permanent or temporary in nature.

Residents are also subject to income tax on foreign-source income, but only if that income is remitted to Thailand in the same year it is received.

#### Exempt Income

There are limited categories of income that are specifically excluded from assessable income by virtue of the Thai Revenue Code. These include reimbursement for business travel expenses.

#### Deductions

Thai tax law provides different deductions for the various classes of assessable income. For employment income, a standard deduction of 50% of an individual's gross income, up to a maximum of Baht 100,000 per annum, may be taken as an expense. Under certain conditions, the individual taxpayer is also entitled to a tax deduction for items such as life insurance premium, mortgage interest, charitable donations and contributions to an approved provident fund.

#### Personal Allowances

The Thai Revenue Code permits personal allowances as follows:

	Baht
<i>Taxpayer</i>	60,000
<i>Taxpayer's spouse</i>	60,000
<i>Lawful or adopted children under 25 years of age and in full-time education, or under parental care</i>	30,000

If the taxpayer resides in Thailand for less than 180 days, the spouse allowance and children allowance will be available only for the spouse and children who reside in Thailand.

The spouse allowance is available on the condition that the spouse does not receive income. In relation to the children allowance, the condition is that the children do not derive taxable income of more than Baht 30,000 in the relevant tax year.

The additional deduction of Baht 30,000 (total deduction of Baht 60,000 per child) is available for the second child onward who was born in or after 2018.

Other allowances are granted for life insurance premiums, provident fund contributions, interest on loans for residential purposes and charitable donations.

## INCOME TAX RATES

Net Assessable Income (THB)	Rate
0 - 150,000	0%
150,001 - 300,000	5%
300,001 - 500,000	10%
500,001 - 750,000	15%
750,001 - 1,000,000	20%
1,000,001 - 2,000,000	25%
2,000,001 - 5,000,000	30%
Over 5,000,000	35%

*The current personal income tax scales are for both residents and non-residents*

## SOCIAL SECURITY CONTRIBUTIONS

An employer and employee are required to contribute to the Social Security Fund. The current contribution rate is 5% of the employee's wages but not exceeding Baht 750 per month.

The employer is required to deduct the appropriate amount of social security contribution from the salaries payable to each employee and remit such contributions together with its matching contribution to the Social Security Fund by the 15<sup>th</sup> of the month following the month in which the salaries are paid.

Surcharges at the rate of 2% per month apply to the late payment of social security contributions.

## REGISTRATION/FORMALITIES

Every resident taxpayer in Thailand will be assigned a tax ID number that must be quoted on all tax returns.

For a non-Thai employee who derived taxable income in Thailand, it is required that a tax ID card be applied for and obtained from the Thai Revenue Department with 60 days of receiving the income. If the tax ID card is not applied for by the due date, a fine of Baht 100 shall be payable.

A personal income tax return must be filed to the Thai Revenue Department on or before 31 March in respect of taxable income received during the preceding (calendar) year. Any outstanding tax on this income must also be paid when filing the return.

In addition, persons receiving income from the professions of law, medicine, engineering, architecture accountancy, fine arts, contracts of work whereby the contractor provides essential materials besides tools, and income from other businesses, commerce, etc., during the period January to June, must file a half-year return and pay personal income tax by September each year. The tax paid in this respect is taken as a credit in the calculation of the tax payable at the end of the year.

In the case where the return is not filed by the due date, the individual shall be subject to a surcharge of 1.5% of the tax due per month and a late filing fine of Baht 200.

For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)

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