SIAM PREMIER

3 January 2021

SPI Newsletter

CABINET APPROVES TAX RELIEF MEASURES REGARDING LAND AND BUILDING TAX AND FILING OF TAX RETURNS

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On 26 January 2021, in response to the on-going COVID-19 pandemic, the Cabinet approved tax relief measures including a reduction of the amount of land and building tax payable in 2021 and the extension of personal income tax returns filing deadline* in order to lessen the tax burden and motivate taxpayers to file tax returns via the online system.

1. 90% reduction on land and building tax payable in 2021

The Cabinet approved the draft Royal Decree on Land and Building Tax Reduction to reduce the land and building tax payable by 90% of the tax payable for 2021. In the other words, the land and building tax to be remitted for 2021 is only 10% of the tax payable. The 90% reduction shall be applied for the following types of land and buildings;

(1) land or a building used for an agricultural purpose;
(2) land or a building used for a residential purpose;
(3) land or a building used otherwise than in (1) or (2); and
(4) land or a building vacated or unused as otherwise reasonable.

With respect to the deadline for land and building tax payment for 2021, the Ministry of Interior previously announced the deferral of tax payment deadline from 30 April 2021 to 30 June 2021.

2. Extension of Tax Filing and Payment Deadline

For personal income tax ("**PIT**") returns (Form PND. 90 and PND. 91), the deadline for filing and tax payment via the online system will be extended from 31 March 2021 to 30 June 2021.

For withholding tax ("**WHT**") returns (Form PND. 1, PND. 2, PND. 3, PND. 53, and PND. 54), and value added tax ("**VAT**") returns (Form PP. 30 and PP.36) for the tax months January – May 2021, the deadline for filing and tax payment via online system will be extended to the end of the following month of each tax month.

As the deadline extension will be applied exclusively for tax filing and payment via the online system, the manual filing of tax returns will be still due by the normal deadline.

Furthermore, on 12 January 2021, the Cabinet approved to continue providing the reduction of WHT rate from 3-5% to 2% for payments made through the e-withholding tax system under the Ministerial Regulation No. 361 (B.E. 2563) which shall be applicable until 31 December 2022.

**Please note that the regulations which contain the guidelines and conditions regarding these measures will be released at a later date.*

Need assistance?

Siam Premier's Taxation team provides strategic legal advice on all aspects of Thai taxation law.

For further information on this recent round of tax relief measures and how they might affect you or your business, please contact our tax partner, Praphan Phichaiwatkomol: Tel: +66 2 646 1888 Ext. 1010 or praphan@siampremier.com

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