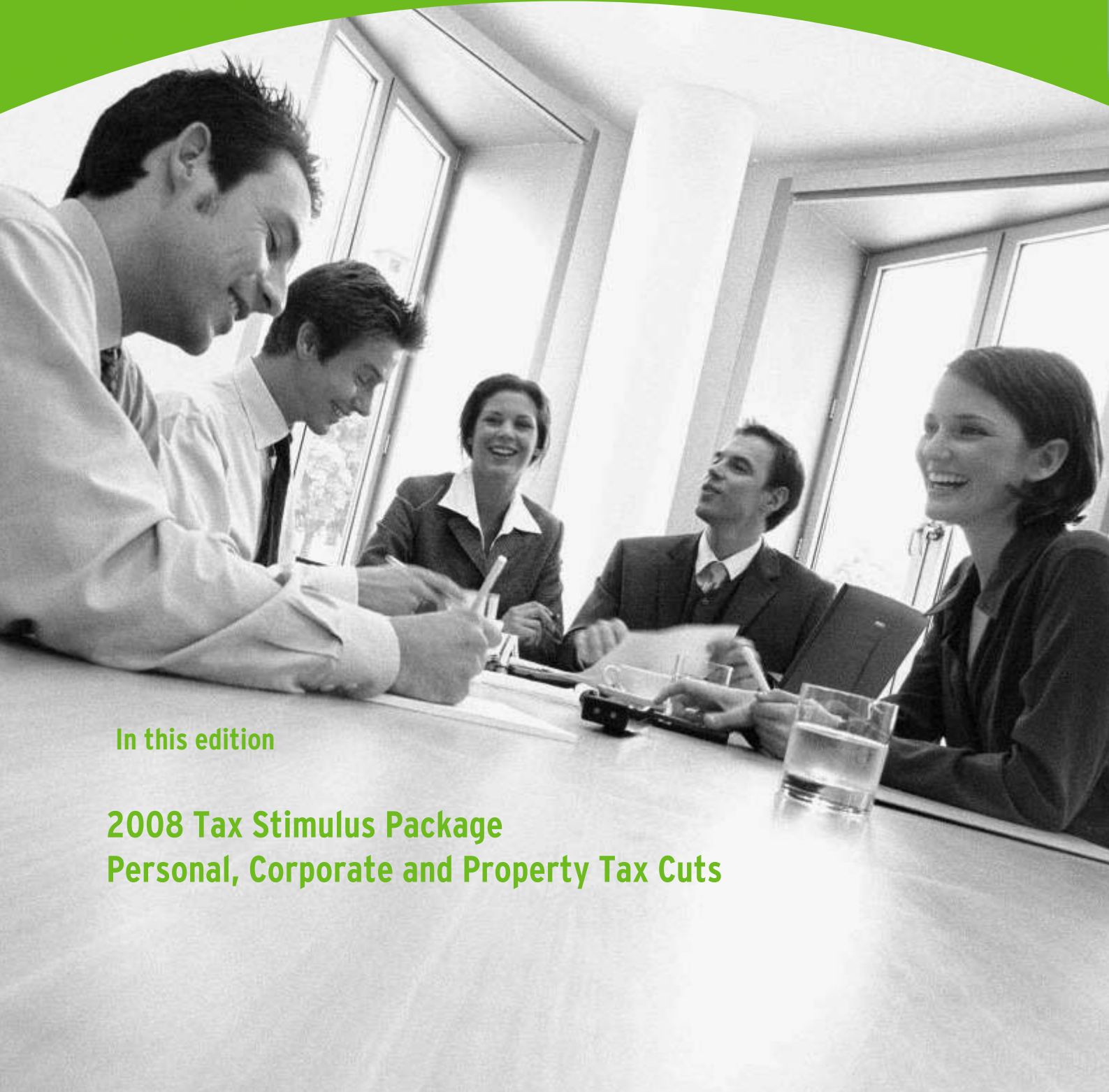


# Call in for a Coffee



**In this edition**

**2008 Tax Stimulus Package  
Personal, Corporate and Property Tax Cuts**

## 2008 Tax Stimulus Package Personal, Corporate and Property Tax Cuts

As reported in Call in for a Coffee Edition No 67, on 4 March 2008, the Cabinet approved the introduction of tax incentives, including cuts to personal income tax, cuts to corporate income tax, incentives for Small and Medium Enterprises and cuts to property conveyance taxes. The following tax cuts have been enacted and are now available for application:

### Personal Income Tax Cut

Effective 1 January 2008 (i.e. from and including the 2008 calendar year) the first THB 100,000 of tax-free income has been increased to THB 150,000. The personal income tax rates are now as follows:

Taxable Income	Tax Rate
0 - 150,000	0%
150,001 - 500,000	10%
500,001 - 1,000,000	20%
1,000,001 - 4,000,000	30%
4,000,001 -	37%

For the first three months of January, February and March 2008, you and your employees would probably have paid personal income tax based on the previous tax-free amount of THB 100,000, and whilst the law dictates that tax adjustments shall be made in the last month of every year (i.e. in the month of December), we believe that you could adjust for the overpaid tax in the personal income tax calculations for the month of April 2008 without causing any major problem.

### Corporate Income Tax Cut

Also effective 1 January 2008 (i.e. from and including the 2008 accounting period) the first THB 150,000 of a Small and Medium Enterprise's taxable income is exempt from corporate income tax. An SME is a Thai company having paid up capital of not more than THB 5 million at the end of its accounting period.

The corporate income tax rates for an SME are now as follows:

Taxable Income	Tax Rate
0 - 150,000	0%
150,001 - 1,000,000	15%
1,000,001 - 3,000,000	25%
3,000,001 -	30%

### Cuts to Property Conveyance Taxes

Effective for the one-year period of 29 March 2008 to 28 March 2009, registrations of property transfers are subject to Specific Business Tax ("SBT") at the rate of 0.11%, instead of 3.3%.

SBT is a tax that applies to a seller of property upon registration of a transfer at the Lands Department and is payable on the appraised value of the property by the Lands Department or the actual price, whichever is the higher.

Also effective for the one-year period 29 March 2008 to 28 March 2009, a registration of a property transfer is subject to a Transfer Fee of 0.01%, instead of 2.0%.

Transfer Fees are payable by a seller and a buyer of property (50:50 basis) upon registration of transfer of the property at the Land Department and is payable on the appraised value of the Land Department.

The reduced Transfer Fee at the rate of 0.01% of the appraised value of the Land Department applies to land and buildings including houses, townhouses, shop-houses, condominiums, and office buildings.

**The information herein was contributed by Steven Herring, an experienced and Senior International Tax Consultant, for RSM Advisory (Thailand) Limited.**

# RSM Thailand

## RSM Thailand

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