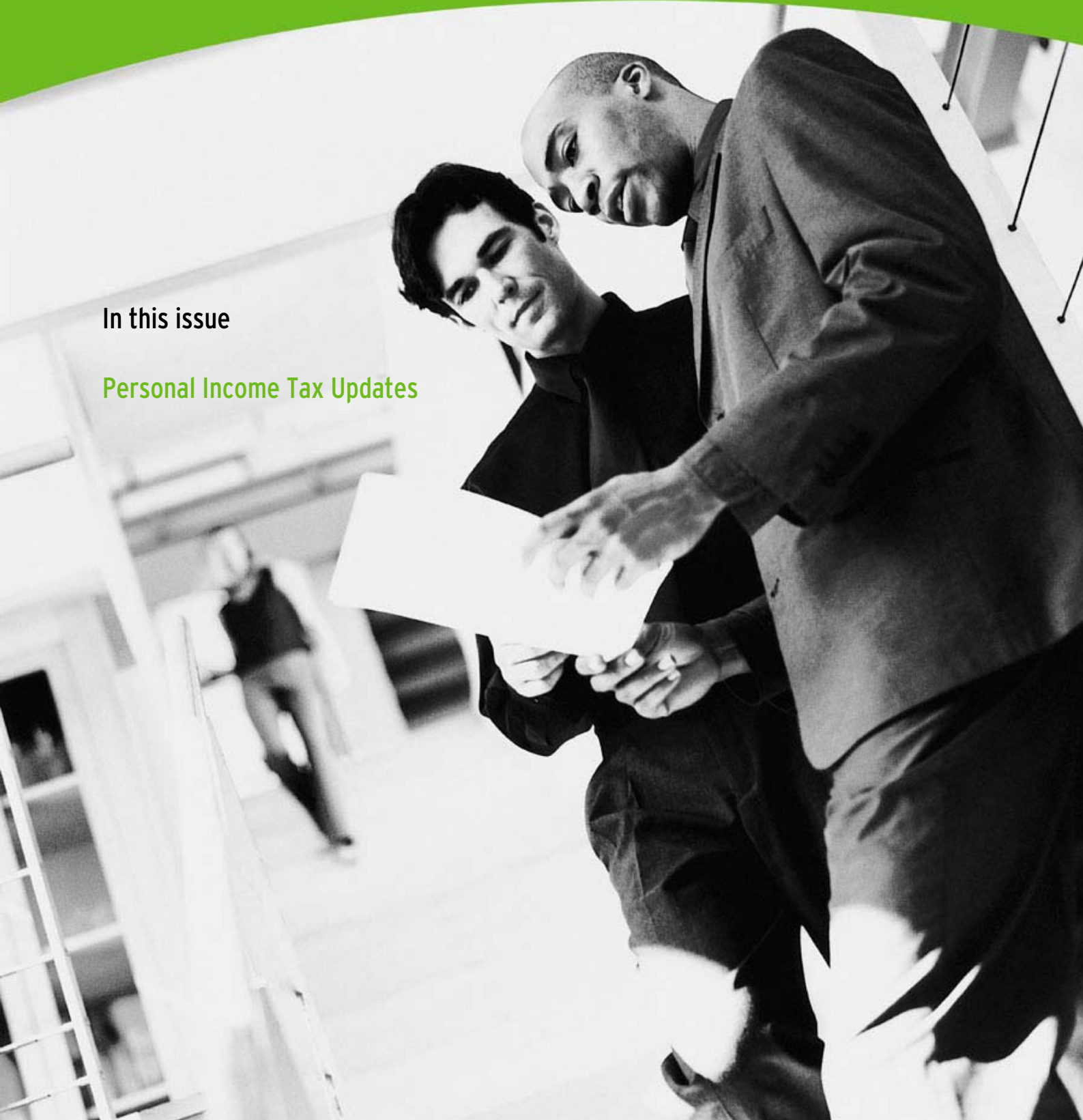


# Call in for a Coffee

In this issue

Personal Income Tax Updates



## Call in for a Coffee – Tax News

At recently held Thai Government Cabinet meetings, three new personal income tax proposals were approved:

- 1. Deductions for premiums for health insurance policies taken out for parents and parents-in-law for the paid amount of the insurance premiums but not exceeding THB 15,000 for each parent and parent-in-law;**
- 2. Tax-exemption for health insurance benefits received from an employer's group health insurance plan; and,**
- 3. Increase in the standard deduction to 60% of income, up to the maximum allowance of THB 100,000.**

To claim the above health insurance premium deductions, the parents and parents-in-law must be aged 60 years and over, and the insurance policies must be taken out with insurance companies carrying on business in Thailand.

Please note however, we have to wait until the new Parliament is elected and approves the tax proposals before they can be entered into law.

Upon the approval of the new Parliament and the signing into law of the proposals, the list of standard allowances should then look like the following:

Standard deduction	60% of income, but not exceeding THB 100,000
Personal allowances	THB 30,000 for each of taxpayer and spouse
Child allowances (max of 3)	THB 15,000 for each child
Child education allowances	THB 2,000 for each child
Parent care allowances	THB 30,000 for each parent
Parent-in-law allowances	THB 30,000 for each in-law
Life assurance premiums	Amount paid, but not exceeding THB 50,000
Parent health insurance premiums	Amount paid, but not exceeding 15,000 for each
Parent-in-law health insurance premiums	Amount paid, but not exceeding 15,000 for each
Approved provident fund	Amount paid, but not

contributions	exceeding THB 10,000
Retirement mutual fund contributions	THB 300,000, but not exceeding 15% of income
Long term equity fund contributions	THB 300,000, but not exceeding 15% of income
Home mortgage interest allowance	Amount paid, but not exceeding THB 50,000
Social security fund contributions	Amount paid
Charitable donations	Amount paid, but not exceeding 10% of income

You should also remember that the following personal income types are afforded special treatment in Thailand:

1. Capital gains on the sale of shares listed on the stock exchange are tax exempt;
2. Sales of immovable property acquired by bequest or gift are tax exempt;
3. Profit from sale of a second hand house is tax exempt if the profit is spent on purchasing a new house within the period of 1 year before and after the date of sale;
4. Interest income need not be included in assessable income provided 15% withholding tax is deducted;
5. Dividend income need not be included in assessable income provided 10% withholding tax is deducted.

The PIT rates applying to assessable income are:

0 - 100,000	0%
100,001 - 500,000	10%
500,001 - 1,000,000	20%
1,000,001 - 4,000,000	30%
4,000,001 -	37%

**Steven Herring**  
Senior Tax Consultant  
RSM International Tax Consulting

### RSM Nelson Wheeler Corporate Asia Group

The RSM Nelson Wheeler Corporate Asia Group provides advice to clients on Taxation, Accounting, Recruitment, Audit & Assurance, Work Permits & Visas, Company Set Ups and Corporate Advisory Services.

RSM Nelson Wheeler (Thailand) Limited is a member office of RSM International, a leading worldwide professional services firm.

The RSM Thai Office service line leaders are:

Corporate Advisory

[Gareth.Hughes@rsmthailand.com](mailto:Gareth.Hughes@rsmthailand.com)

Accounting & Tax Compliance

[Mark.Butters@rsmthailand.com](mailto:Mark.Butters@rsmthailand.com)

Executive Recruitment

[Mike.Holloway@rsmthailand.com](mailto:Mike.Holloway@rsmthailand.com)

Business Services & Legal

[Pardorn.Suchiva@rsmthailand.com](mailto:Pardorn.Suchiva@rsmthailand.com)

Audit & Assurance

[Prawit.Wipusirikup@rsmthailand.com](mailto:Prawit.Wipusirikup@rsmthailand.com)

Taxation Consulting

[Steven.Herring@rsmthailand.com](mailto:Steven.Herring@rsmthailand.com)

Audit & Assurance

[Surachai.Damnoenwong@rsmthailand.com](mailto:Surachai.Damnoenwong@rsmthailand.com)

We welcome your comments and feedback. Please feel free to contact us on the details below:

RSM Nelson Wheeler (Thailand) Limited  
26th Floor, Sathorn City Tower  
175 South Sathorn Road  
Bangkok 10120  
Thailand

T: +66 (0) 2670-9002-6

F: +66 (0) 2670 9027-8

E: [askus.bangkok@rsmthailand.com](mailto:askus.bangkok@rsmthailand.com)

W: <http://www.rsmthailand.com>