



Revenue Department News

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Subject : The Committee on the Budget of the Fiscal Year 2013 expressed concern that corporate tax rate cut will impact the revenue

On 7th June, 2012 the Revenue Department, led by Dr.Satit Rungkasiri, Director-General, and other senior executive officers of the Revenue Department presented its fiscal year 2013 budget to the Senate Special Budget Committee for the fiscal year 2013 at the Parliament Office Building 2. The budget had passed the review by the House Budget Committee on 29th - 30th May, 2012 at the Parliament Office Building 3. Both committees have now approved the Revenue Department's 2013 budget framework but they both questioned whether the corporate income tax rate cut would adversely affect the government revenue.

Dr.Satit Rungkasiri, Director-General of the Revenue Department, stated that "The globalization forces every country to adapt itself to attract more foreign investment. The trend is to reduce corporate income tax rate and put greater emphasis on consumption tax. If we compare Thailand with other ASEAN member countries, our corporate income tax rate before the amendment is among the highest. Therefore, It is necessary for Thailand to cut its corporate income tax rate in order to enhance the ability to compete and prepare for AEC in 2015. After the rate reduction to 23% this year and 20% from the next year, Thailand will be able to compete with other ASEAN countries. There will only be Singapore that has a lower corporate income tax rate at 17%."

Dr.Satit Rungkasiri, Director-General of the Revenue Department, further stated that "Even though the rate reduction reduces the government revenue by approximately 150,000 million baht, the Revenue Department has prepared itself to expand the tax base. There are numerous ways to expand the tax base such as strict monitoring of e-Commerce and new innovations to monitor taxpayers along the supply chains together with improving taxpayer services. We are confident that the scheme to expand the tax base will help the Revenue Department achieve beyond the original estimation."

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