



Revenue Department News

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Subject : The Revenue Department allow full deduction for donation to assist flood victims.

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Due to the adverse flooding in many areas of Thailand which has caused great distress among people, the government urgently ordered every sector to assist the flood victims and, as a preliminary measure, distribute necessary goods to victims. At present, both the government and private sectors are ready to collect money and goods for further distribution.

The Revenue Department would like to inform that to use the donated money and the value of donated goods as an allowance or tax deduction for income tax purpose, the donation should be done according to the following regulations and conditions.

1. Donation made to government sector, foundation, organization or charitable organization as prescribed by Minister of Finance.

1.1) Individuals who donate “money” can use the donated amount as an allowance in calculating their personal income tax. When combine the allowance with other donations, the total amount shall not exceed 10% of net assessable income (assessable income less deductions and allowances).

1.2) Company or juristic partnership who donates “money or assets” can use the amount of donated money or the value of donated asset as deductible expense in computing net profit for corporate income tax purpose. When combine the expense with expense for public charity or for public benefit shall not excess 2% of net profit.

1.3) For VAT registrants who donate their assets or goods, the value of donated assets or goods is not included as a tax base for VAT purpose.

2. Donation made through agent such as television station or radio station

2.1) Individual who donates “money” to flood victims through company or juristic partnership or other juristic person acting as agent can use the donated amount as an allowance in calculating their personal income tax. The agent must be registered with the Revenue Department and shall distribute the collected donation to flood victims. When combine the allowance with other donations, the total amount shall not exceed 10% of net assessable income (assessable income less deductions and allowances).

2.2) Company or juristic partnership who donates “money or assets” to flood victims through company or juristic partnership or other juristic person acting as agent, can use the amount of donated money or value of donated asset as deductible expense in computing net profit for corporate income tax purpose. The agent must be registered with the Revenue Department and shall distribute the collected donation to flood victims. When combine the expense with expense for public charity or for public benefit shall not exceed 2% of net profit.

2.3) Exemption from VAT is granted for VAT registrants who donate goods for flood victims through company or juristic partnership or other juristic person acting as agent in collecting and distributing the donated goods to flood victims.

3. Donation to educational institution announced by Ministry of Education to support education such as construction of school building, providing supply, equipment, book, professional fee, and scholarship. Donor can use the mentioned donation as an allowance or expense as described below.

3.1) Individual can deduct donated “money” twice of the amount donated to support education as an allowance, provided that the allowance shall not exceed 10% of net assessable income.

3.2) Company or juristic partnership who donates “money or assets” to support education can use twice of the donated amount as deductible expense, provided that the expense should not exceed 10% of net profit before deducting expense for public charity or for public benefit and expense for education or sports.

Dr. Satit Rungkasiri, Director-General of the Revenue Department said, “This present flood situation has affected many areas in Thailand and caused distress among people in those affected areas. Donations of money or assets to help the flood victims show the spirit of the nation. Therefore, not only will the donor will receive subsequence of merit according to Thai belief, but also be granted with tax privileges according to conditions prescribed by the Revenue Department.”

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