

**For translation purpose only**  
**Official language is Thai language**

**NOTIFICATION OF MINISTRY OF FINANCE**

Re: Imposition of Income Tax on Persons Earning Income from Rent of Property who Receive  
Gratuities, Additional Charges, Construction Costs, Repair Charges, Value of Buildings or  
Houses Transferred in Ownership or Other Income of a Similar Nature

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As the Ministry of Finance has considered that the Notification of Ministry of Finance Re: Persons Earning Income from Rent of Property Failing to Submit Correctly in Full Amount of Income, dated 19th February B.E. 2528 (1985) has been in force for a long time, and that such Notification should be revised to be suitable to current situations, as follows:

It appears that a number of persons liable to pay personal income tax receive other income or benefits related to rent of immovable property. For example, in addition to collecting rentals, renters also collect or receive gratuities, additional charges, construction costs, repair charges, ownership of buildings or houses or other income of a similar nature, while allowing their tenants to rent the property for a long period of time such as 3 years, 10 years or 30 years. In this regard, the renters are required to file such income in a return and pay tax thereon. Since renters have to allow their tenants to rent buildings or houses for a long period of time, if the renters are to be obliged to pay income tax on such gratuities, additional charges, construction costs, repair charges or value of buildings or houses transferred in ownership in whole in the same year in which such monies or benefits are received, the renters will have to bear such a heavy burden.

In order to relieve the tax burden on income earners who are liable to pay personal income tax and provide them with an opportunity to pay tax correctly in accordance with laws, the Ministry of Finance hereby notifies as follows:

1. A renter earning income who is liable to pay personal income tax is allowed to average such gratuity, additional charge, construction cost, repair charge and value of buildings or houses transferred in ownership over the number of years of the rental term. For example, a renter receives a gratuity for renting out a building in the amount of 30,000,000 Baht, but he or she is committed to rent out the building for a period of 30 years. In this case, such gratuity in the amount of 30,000,000 Baht may be averaged on an annual basis for 30 years, and thus, such earner will have income at 1,000,000 Baht per year. The earner shall then file income tax returns and pay tax on the amount of gratuity that is

averaged annually over the number of years of the rental term for each of such years within March of the year following the year in which such assessable income is received.

2. In the case where a renter who has received gratuity, additional charge, construction cost, repair charge or value of buildings or houses transferred in ownership, filing income tax returns and paying tax on the amount of gratuity that is averaged annually over the number of years of the rental term after March of the year following the year in which such assessable income is received, such earner is still allowed to average the gratuity on an annual basis over the number of years of the rental term and file income tax returns and pay tax on the amount of gratuity on average, but he or she must pay a surcharge at the rate of 1.5 percent per month or fraction thereof of the amount of tax payable.

3. In the case where a renter who has received gratuity, additional charge, construction cost, repair charge or value of buildings or houses transferred in ownership and filed a request to pay tax on such gratuity in accordance with this Notification, fails to file income tax returns and pay tax on the amount of gratuity that is averaged annually over the number of tax years of the rental term, an assessment officer of the Revenue Department shall assess income tax under section 60 *bis* of the Revenue Code.

4. This Notification shall apply to the assessable income received from the 2014 tax year which a tax return required to be filed in 2015 onwards.

Given on the 8th Day of July B.E. 2558 (2015)

Sommaï Phasee  
(Mr. Sommaï Phasee)  
Minister of Finance