



Revenue Department News

News No. : 11/2017
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Subject : New Personal Income Tax Structure enters into force for incomes derived from Tax Year 2017

An announcement was made in the Government Gazette regarding the Act amending the Revenue Code (No.44) B.E. 2560 related to the improvement of personal income tax structure which enters into force for assessable incomes derived from 1st January 2017 :

Mr. Somchai Saengratmaneedet, Deputy Director-General and Spokesperson of the Revenue Department, revealed that “The Act amending the Revenue Code (No.44) B.E. 2560 related to the improvement of Personal Income Tax Structure has entered into force for assessable incomes derived from 1st January 2017. Therefore, a payer of assessable income must make a correct calculation in accordance with the new structure which offers a taxpayer the higher expenses and allowances to reduce his monthly tax payment and benefit the overall economic situation of the nation, as follows:

1. Increase of expenses

1.1 The expense for incomes derived from employment, whether in the form of salary, wage, commission, etc. under section 40 (1) and (2) of the Revenue Code shall be deductible at 50 percent of the assessable income but not exceeding 100,000 baht.

1.2 The expense for incomes derived from fee of goodwill, copyright or any other rights under section 40 (3) of the Revenue Code shall be deductible as mentioned on the Royal Decree.

2. Increase of allowances

2.1 Allowance for a taxpayer shall be deductible for 60,000 baht.

2.2 Allowance for a taxpayer's spouse shall be deductible for 60,000 baht.

2.3 Allowance for a taxpayer's children

(1) Legitimate children of taxpayer or legitimate children of the spouse of taxpayer for 30,000 baht each child.

(2) Adopted children of taxpayer for 30,000 baht each adopted child, but not exceeding 3 adopted children.

In a case where a taxpayer has children both under (1) and (2), he shall first deduct allowance for the children under (1), followed by the children under (2). Except where the taxpayer has 3 or more living children under (1), he shall not deduct allowances for children under (2). If he has fewer than 3 children under (1), he may deduct allowances for the children under (2); however, the total number of children shall not exceed 3.

2.4 In the case where a husband and a wife have the assessable income, they are able to use the total amount of allowances not exceeding 120,000 baht.

2.5 Allowance for undivided estate shall be deductible for 60,000 baht.

2.6 Allowance for a non-registered ordinary partnership or a non-juristic body of persons shall be deductible for 60,000 baht, but not exceeding 120,000 baht in total.

3. The revision of personal income tax (PIT) rates schedule is as follows:

New PIT Rates schedule	
Net income	Rates (percent)
1 - 300,000*	5
300,001 - 500,000	10
500,001 - 750,000	15
750,001 - 1,000,000	20
1,000,001 - 2,000,000	25
2,000,001 - 5,000,000	30
From 5,000,001	35

For the net income after calculation (Assessable incomes minus Expenses, then minus Allowances) on the first 150,000 Baht is still exempted by the Royal Decree issued under the Revenue Code regarding tax rate reduction No. 470 B.E.2551 (2008).

4. The minimum assessable incomes to file a PIT tax return shall be as follows:

4.1 In the case where such person earning an income derived from employment:

- (1) has no spouse and has the assessable income exceeding 120,000 baht.
- (2) has a spouse and has the assessable income exceeding 220,000 baht

4.2 In the case where such person earning an income derived from employment and other categories or earning an income derived from other categories except employment:

- (1) has no spouse and has the assessable income exceeding 60,000 baht.
- (2) has a spouse and has the assessable income exceeding 120,000 baht

/5. The revision...

5. The revision mentioned above shall enter into force for incomes derived from tax year 2017 which a tax return must be filed in year 2018.”

For more information, please contact the Revenue Offices nationwide or RD Intelligence Call Center: 1161 or consult the Government Gazette regarding the Act amending the Revenue Code (No.44) B.E. 2560.

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