



Revenue Department News

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Subject : Allowance deduction of OTOP product purchase according to the tax measure to promote Thai local products

Mr. Somchai Saengratmaneedet, Deputy Director-General and the Revenue Department's Spokesperson revealed that "According to the tax measure to promote Thai local products or One Tambon One Products (OTOP), a taxpayer who buys OTOP products from a VAT registrant during 1st to 31st August 2016, may use full tax invoices for allowance deduction in his personal income tax calculation in an amount actually paid but not exceeding 15,000 Baht. The products must be registered by the Community Development Department and the details are as follows:

1. Person eligible for this tax benefit

- Shall be the taxpayer liable to personal income tax but not including partnership or non juristic body of persons.
- Shall be tax exempted from the value of OTOP product paid by the taxpayer during 1st to 31st August 2016 in an amount actually paid but not exceeding 15,000 Baht. This tax exemption shall be used as the allowance deduction in the calculation of personal income tax.
- Shall buy OTOP product registered by the Community Development Department, from a VAT registrant.
- The OTOP product shall be subjected to VAT rate of 7 percent. The OTOP product which is subjected to VAT rate of 0 percent or VAT exemption shall be excluded from this tax benefit.

2. Evidence of the allowance

- A full tax invoice according to section 86/4 of the Revenue Code is received from seller.
- In case where items in the tax invoice include OTOP product and other products, the seller has to specify OTOP product in the tax invoice either by wording or marking the particular product.
- In case where all items in the tax invoice are OTOP products, the seller may impress the rubber stamp stating that "all products are OTOP".
- The wording that indicate the OTOP products include "OTOP" or "One Tambon One Product".

For further queries, please see Ministerial Regulation No.318 (B.E.2559) issued under the Revenue Code regarding Revenue Tax Exemption and Notification of the Director-General of the Revenue Department on Income Tax (No.272) given on 1st August 2016 (B.E.2559) or contact any Area Revenue Office and RD Call Center at Tel. 1161.

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