



Revenue Department News

News No. : 22/2016

Date : 23rd August 2016

Subject : Withholding tax on payments from the village fund and any other similar types of projects

The Thai Government launches many measures to develop the rural economy, such as grassroots economic development, the village and urban community fund and other similar projects.

Deputy Director-General Mr. Somchai Saengratmaneedet, the Department's spokesman, said "All government agencies, municipalities, local government authorities, and other entities conducting a project relating to government funding to villages or other similar projects that pay assessable income have an obligation to withhold tax as follows:

1. According to section 50(4) and section 69 bis of the Revenue Code, a government agency, a municipality, a sanitation district or any other local government authority paying the assessable income is required to withhold tax at the rate of 1 per cent.

2. The village fund, which is registered by the National Village and Urban Community Fund Act B.E. 2547, is a government organisation under section 2 of the Revenue Code. Thus, the village fund paying assessable income shall withhold tax at the rate of 1 per cent of the income in accordance with section 50(4) and section 69 bis of the Revenue Code. The village fund shall issue a withholding tax certificate under section 50 bis of the Revenue Code and remit the withheld tax at Area Revenue Branch Office within 7 days from the last day of the month which the payment is made.

3. Any government agency responsible for projects using annual budget may set up a committee at sub-district or village level as a government representative to approve projects, disburse funds and do bookkeeping. This is considered as an activity of the government agency with the committee as a representative. The committee paying the income on behalf of the government agency is required to withhold tax at the rate of 1 percent under section 50(4) and section 69 bis of the Revenue Code. A government agency by the committee at sub-district or village level shall issue a withholding tax certificate under section 50 bis of the Revenue Code and remit the withheld tax at any Revenue Area Branch Office within 7 days from the last day of the month which the payment is made.

The guideline can be applied for withholding taxes on payments under other similar projects relating to government fund policies.”

For further queries, please contact any Area Revenue Office or RD Call Center at Tel. 1161.

.....