

Newsletter

THAILAND (COVID-19): 90% REDUCTION ON LAND AND BUILDING TAX CONTINUED FOR THE 2021 TAX YEAR

Introduction

The Thai authorities have introduced measures to assist consumers and businesses facing difficulties during the global pandemic. In 2020, among other initiatives and incentives introduced to mitigate the impact to the Thai economy, the government provided tax relief on land and buildings, which will be continued in 2021.

This briefing will provide an overview of the details of the extension of the reduction on tax for land in buildings for the fiscal year 2021.

Royal Decree reducing tax for certain land and buildings

On 26 January 2021 the Thai cabinet approved a draft Royal Decree, which provides a 90% reduction on land and building tax for the 2021 tax year due to the ongoing COVID-19 outbreak. On 31 January 2021, the Royal Decree Reducing Tax of Certain Land and Buildings (No. 2), B.E. 2564 (2021) (the "Royal Decree") was published on the Royal Thai Government Gazette and became effective from 1 February 2021.

Particulars of the Royal Decree

The Royal Decree was issued under the Land and Buildings Tax Act, B.E. 2562 (2019) (the "Act"). The reduction provided is similar to the previous Royal Decree Reducing Tax for Certain Land and Buildings, B.E. 2563 (2020). Under the 2021 Royal Decree, a 90% reduction applies to all types of land and buildings subject to the land and building tax under the Act. A taxpayer will only be liable to pay 10% of the amount of tax payable for the 2021 tax year. This is unless the taxpayer qualifies for any other exemptions or further reductions under the Act. A tax return will be delivered to a taxpayer and a tax payment must be made to the local administrative office where the properties are located. The tax payment would usually be made within April 2021.

Extension of tax payment deadline

Concurrently to the issuance of the Royal Decree, the Ministry of the Interior has approved a two-month extension to the deadline for the payment of land and building tax. Therefore, the deadline for the tax payment is due at the end of June 2021. The extension also provides for administration of tax collections by the authorities, including preparation and announcement of appraisal values of land and buildings and tax assessments.

Please refer to the notable features of the land and buildings tax under the Act in our newsletter, issued on 25 August 2020 [LINK](#)

If you would like to discuss the issues raised in this article further or related issues, please contact the authors listed in the right-hand column.

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