

EXPATRIATES

Thailand

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

Every person, resident or non-resident, who derives assessable income from employment or business carried on or property situated in Thailand is subject to Thai personal income tax, unless exempted under the provisions of a Double Tax Agreement (DTA). The place of payment or residency of income payor is immaterial.

Resident individuals are also subject to personal income tax on foreign source income to the extent that it is paid in or remitted to Thailand in the year it is received or earned.

Residency

An individual who is present in Thailand for a total of at least 180 days in a tax year (calendar year) is treated as a resident of Thailand for tax purposes. Otherwise, the individual will be deemed a non-resident.

Assessable income

The term covers income in cash and in kind. Any benefits provided by an employer or other persons, such as a rent-free house or the amount of tax paid by the employer on behalf of the employee, is treated as assessable income of the employee for the purpose of PIT. There are 8 categories of income, including employment income, service income, income from intangible properties, passive income, income from liberal professions, income from real properties, etc.

Tax Return Filing

A personal income tax return must be filed with the Thai Revenue Department on or before 31 March in respect of taxable income received during the preceding taxable year. Any outstanding tax on this income must also be paid at the same time of filing the return.

A temporary tax return is also required to be filed if the expatriate is leaving the country permanently before the end of the year.

A surcharge of 1.5% per month is due if the return is not filed by the due date. There is also a nominal fine for late filing of return.

Exempt Income

There are limited categories of income that are specifically excluded from assessable income. These include certain amount of per diem, actual reimbursements of business-related expenses and relocation expenses.

Deductions

Thai tax law provides different deductions for various categories of assessable income. For employment income, a standard deduction of 50% of an individual's gross income, up to a maximum amount of Baht 100,000 per annum, is deductible.

Personal Allowances

Under certain conditions, an individual taxpayer is also entitled to certain tax deduction, including life insurance premium, mortgage interest, charitable donations and contributions to an approved Provident Fund. Below if the standard personal allowances:

Taxpayer	60,000
Taxpayer's spouse	60,000
Lawful or adopted child under 25 years of age, studying or under parental care	30,000

INCOME TAX RATES

Net Assessable Income (THB)	Rate
0 - 150,000	0%
150,001 - 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%
Over 5,000,000	35%

The current personal income tax scales are for both residents and non-residents

Withholding Tax Obligation

Employers who are registered in Thailand are required to withhold income tax from salaries and other benefits paid to employees.

SOCIAL SECURITY CONTRIBUTIONS

An employer and employee are required to make contributions to Social Security Fund (SSF). The current contribution rate is 5% of the employee's wages but not exceeding Baht 750 per month.

The employer is required to deduct the appropriate amount of social security contribution from the salaries payable to each employee and remit such contributions together with its matching contribution to the Social Security Fund by the 15th of the month following the month in which the salaries are paid. Surcharges at the rate of 2% per month apply to the late payment of social security contributions.

Generally, an individual and their employer would be required to make contributions to the SSF in cases where the wage is paid in Thailand. An individual who works aboard and their salary is paid outside Thailand may elect to contribute to Social Security Fund.

BREAKING RESIDENCY - EXIT PROCEDURES

The 180-day period is counted on a calendar year basis. Tax residency ceases if the number of days the expatriate is working in Thailand does not reach the 180-day period in a calendar year.

A Thai national who works outside of Thailand for a foreign employer does not have an obligation to file a personal income tax return in Thailand unless he/she has other Thailand source income for the year.

For certain expatriates (e.g., foreign actors), securing a tax clearance before leaving the country is mandatory. For expatriate employees, filing a temporary tax return (PND 93) is required if he/she leaves before 31st of December. An annual income tax return will still need to be submitted after the end of the calendar year, even if an individual is not in Thailand.

For further information and to register for future updates contact expat@bdo.global

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