

Thailand Tax Guide for Business Owners

Your essential guide to navigating Thailand's business tax landscape. Understand your obligations and discover the tailored services Attori Law offers to help you succeed.

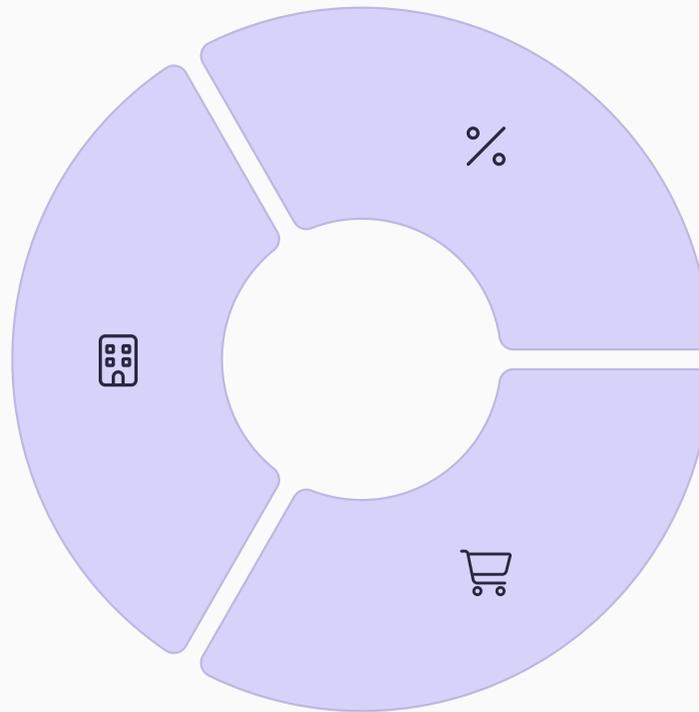
By Attori Law Co., Ltd.



Thailand's Three Key Business Taxes

Corporate Income Tax (CIT)

Tax on company profits with progressive rates for SMEs and a standard 20% rate for larger businesses



Withholding Tax (WHT)

Tax withheld at source on various payments like rent, services, and royalties

Value Added Tax (VAT)

Consumption tax of 7% applied to most goods and services in Thailand

Corporate Income Tax Breakdown

Taxable Income Calculation

Gross Income - Deductible Expenses = Net Profit

What counts as income?

- Sales revenue and service fees
- Interest income and dividends
- Rental and royalty income

Common deductible expenses:

- Cost of goods sold (COGS)
- Employee salaries and benefits
- Depreciation of assets
- Necessary business expenses

Special tax incentives:

- 200% tax deduction for R&D expenses
- Ability to carry forward losses for up to 5 years

Tax Rates

Progressive Rates for SMEs

Eligible companies must have:

- Paid-up capital ≤ 5 million THB
- Annual income ≤ 30 million THB

Net Profit Range	Tax Rate
0 – 300,000 THB	0%
300,001 – 3,000,000 THB	15%
Over 3,000,000 THB	20%

Standard Rate for Other Companies

Flat 20% tax rate on net profit regardless of amount



CIT Example & Filing Requirements

Example Calculation

Net profit = 4,000,000 THB

- First 300,000 THB @ 0% = 0 THB
- Next 2,700,000 THB @ 15% = 405,000 THB
- Final 1,000,000 THB @ 20% = 200,000 THB

Total CIT = 605,000 THB

Filing & Payment Schedule

- Mid-Year (PND 51): 50% of estimated annual tax
- Due 2 months after first half of fiscal year
- Year-End (PND 50): Final reconciliation
- Due within 150 days after year-end

Withholding Tax Essentials

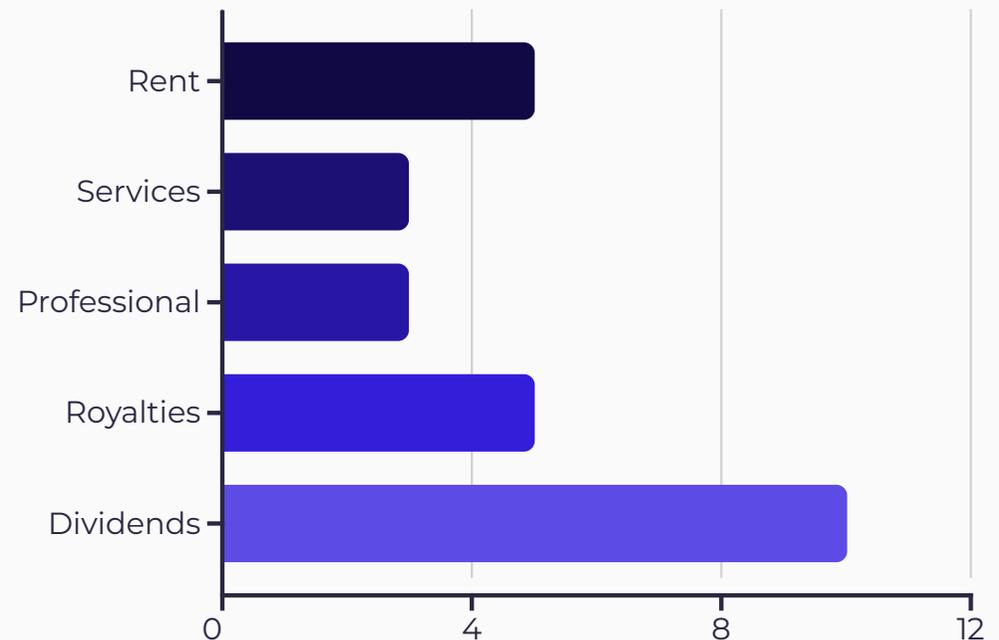
How WHT Works

Withholding tax is applied to the net amount (excluding VAT) and withheld at source when making payments. It serves as an advance payment of income tax.

Example:

- Rent payment: 100,000 THB → WHT = 5,000 THB
- You pay vendor: 95,000 THB

Filing Deadline: 7th of the following month using forms PND 1, PND 3, or PND 53



Withholding Tax Rates

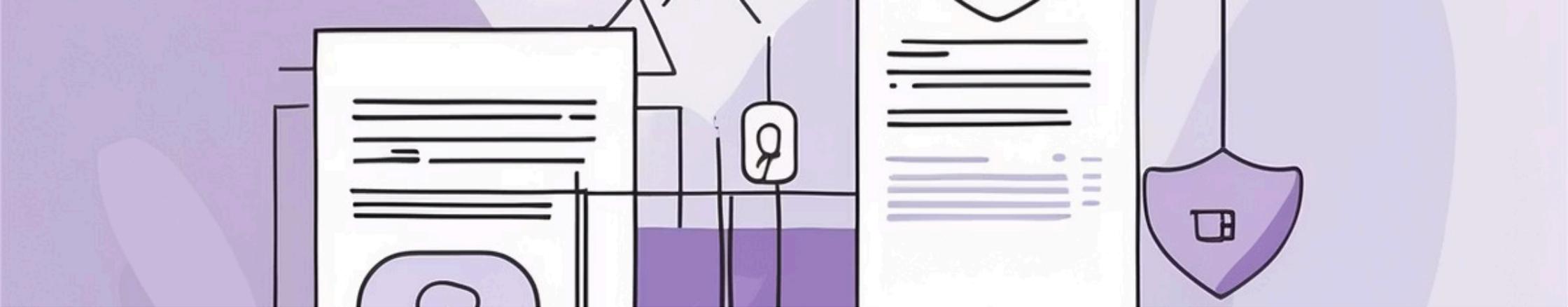
Services & Professional Fees	3%
Rent & Leasing	5%
Advertising	2%
Dividends	10%
Interest	15%
Royalties	15%

Filing Requirements

- Submit Form PND 3 (individuals) or PND 53 (companies)
- File by 7th of following month
- Provide WHT certificates to recipients

Key Points

- Non-resident payments: 10-15% WHT
- Double Tax Agreements may reduce rates
- Penalties: 1.5% monthly on unpaid amounts



Social Security Contributions in Thailand

Mandatory for all employers and employees, proper social security management ensures business compliance in Thailand.

Contribution Rates

- Employee: 5% (max 875 THB/month)
- Employer: 5% (max 875 THB/month)
- Salary base cap: 17,500 THB/month

Filing Requirements

- Register employees within 30 days
- Submit Form SSO-1-10 monthly
- File by 15th of following month
- Maintain records for 5+ years

Benefits Covered

- Illness/injury (non-work)
- Maternity & disability
- Death benefits
- Child allowance
- Old-age pension
- Unemployment

Personal Income Tax Deductions

Thailand offers various tax deductions that can significantly reduce your personal income tax liability. Understanding these deductions is essential for tax optimization.

 Standard Deductions	 Personal Allowances	 Special Deductions
<ul style="list-style-type: none">• Employment income: 50% of income (max 100,000 THB)• Freelance income: 30-60% depending on profession• Rental income: 10-30% of gross receipts	<ul style="list-style-type: none">• Personal allowance: 60,000 THB• Spouse allowance: 60,000 THB• Child allowance: 30,000 THB per child• Parental care: 30,000 THB per parent	<ul style="list-style-type: none">• Social security contributions: Actual amount paid• Retirement mutual funds (RMF): Up to 30% of income (max 500,000 THB)• Long-term equity funds (LTF): Up to 15% of income (max 500,000 THB)• Home mortgage interest: Up to 100,000 THB

Proper documentation is required for all deductions claimed. Tax residents can combine these deductions to optimize their annual personal income tax liability.

Example Calculation

Annual Employment Income:	1,200,000 THB
- Standard Deduction (50%, max 100,000):	-100,000 THB
- Personal Allowance:	-60,000 THB
- Spouse Allowance:	-60,000 THB
- One Child Allowance:	-30,000 THB
- Social Security Contributions:	-10,500 THB
- RMF Investment (10% of income):	-120,000 THB
- Home Mortgage Interest:	-80,000 THB

Taxable Income: 739,500 THB

Tax Calculation:

First 150,000 THB:	0 THB (0%)
150,001-300,000 THB (150,000 × 5%):	7,500 THB
300,001-500,000 THB (200,000 × 10%):	20,000 THB
500,001-739,500 THB (239,500 × 15%):	35,925 THB

Total Personal Income Tax: 63,425 THB

In this example, a taxpayer with 1,200,000 THB annual income reduces their tax liability from approximately 142,500 THB (without deductions) to just 63,425 THB by properly utilizing available deductions.

Value Added Tax (VAT) System

1

Input VAT

VAT paid on purchases, imports, and business expenses at standard 7% rate

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Output VAT

VAT collected from customers on sales of goods and services at 7%



Calculation

VAT Payable = Output VAT - Input VAT (or claim refund if negative)

Example Calculation

- Monthly sales: 1,000,000 THB → Output VAT = 70,000 THB
- Monthly purchases: 600,000 THB → Input VAT = 42,000 THB
- VAT Payable to Revenue Department = 28,000 THB

Filing Requirements

- Form PP30 must be filed monthly by registered businesses
- Filing deadline: 15th day of the following month
- Registration required if annual revenue exceeds 1.8M THB
- Tax invoices and input tax documentation must be maintained for 5 years

Monthly Accounting Process

1 Document Collection

- Revenue & sales documents
- Expense & purchase receipts
- Bank statements
- Payroll reports

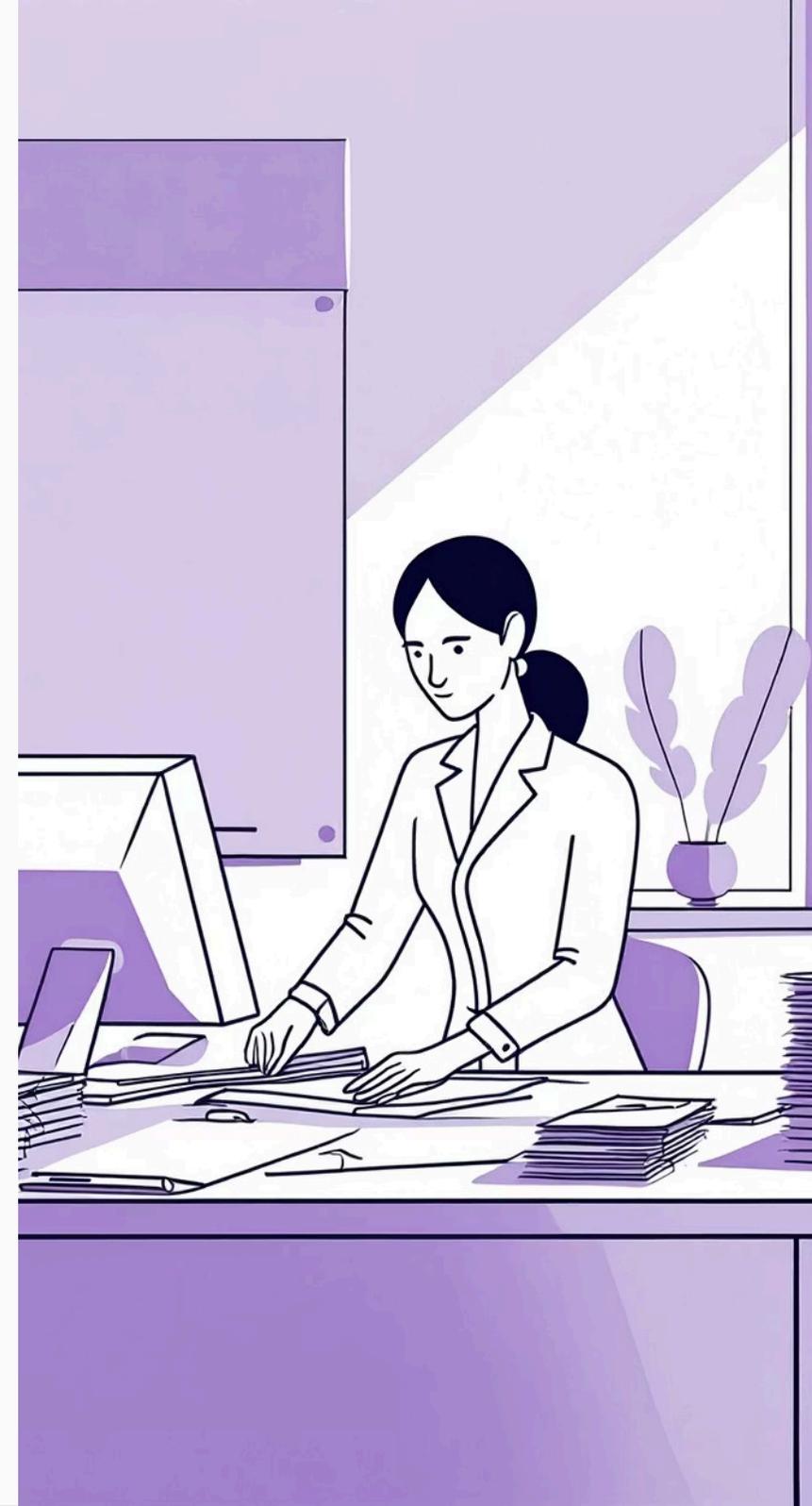
2 Processing

- Recording transactions
- Reconciliation
- Tax calculation

3 Filing & Reporting

- VAT (PP30)
- Withholding Tax (PND forms)
- Social Security (SSO)

All documents must be submitted by the 5th of the following month to ensure timely processing and compliance.



Required Monthly Documents



Purchase Documents

- All tax invoices and receipts received from vendors or service providers
- Payment vouchers and expense receipts.



Sales Documents

- Issued tax invoices and receipts
- Any applicable credit notes



Bank Statements

- Comprehensive monthly bank statements for all business accounts
- E-banking transaction summaries (if applicable)



Petty Cash Expenses

- Detailed summaries of all petty cash transactions and balances



Withholding Tax Details

- Records of all payments subject to Withholding Tax (WHT) made to suppliers and contractors
- Copies of related contracts and agreements



Other Relevant Documents

- Copies of lease agreements
- Loan agreements
- Any new or amended documents impacting accounting or taxation

Monthly Accounting Services



Monthly Bookkeeping

- Recording of income and expense transactions
- Journal entries in accordance with Thai Accounting Standards



Monthly Tax Filing

- VAT (PP.30) preparation and submission
- Withholding Tax (PND.1, PND.3/53, PND.2) filings
- PP.36 preparation and submission
- Tawi 50 preparation
- Any other withholding taxes



Social Security Services

- Monthly Social Security forms (Sor.Por.Sor.1-10) submission and payment
- Employee registration/resignation notifications



Document Review & Advisory

- Preliminary review for completeness and accuracy
- Basic tax planning advice and guidance on document preparation



Government Liaison Support

- Coordination with the Revenue Department and Department of Business Development (DBD)
- Assistance during inquiries or inspections

Accounting Service Packages

Service Pricing

Package	Monthly Fee (THB)
Basic (0-10 docs)	4,000
Standard (11-40 docs)	6,500
Premium (41-70 docs)	9,000
Advanced (71-100 docs)	9,500
Enterprise (101-130 docs)	14,000
Corporate (131-160 docs)	16,500

Itemized Filings

Package	Monthly Fee (THB)
PP30 (0 transactions)	1,200
PND 1 (up to 10 employees)	1,200
PND 91 (per person)	3,000
Social Security (up to 10 employees)	1,200
PND 3/53 (rent)	1,200

Auditing Service Packages

Service Package Pricing

Package	Yearly Fee (THB)
0 Transactions	16,000
1m - 3m THB	23,000
3m - 5m THB	30,000
5m - 7m THB	37,000
7m-10m THB	44,000
10m-12m THB	48,000
12m-14m THB	52,000
14m-16m THB	56,000
Continues at 2,000 THB Per Million THB Revenue.	

Comprehensive Audit Services

- Financial statement audits and reviews
- Internal control assessment and reporting
- Regulatory compliance verification
- Fraud risk assessment and prevention
- Financial reporting enhancement
- Management advisory on audit findings

The Attori Law Advantage



Licensed Thai Tax Specialists

Our elite team comprises certified Thai accountants and tax professionals with decades of specialized experience navigating Thailand's complex tax regulations and compliance landscape.



Tailored Accounting Packages

We offer customized accounting solutions designed to match your specific business needs and scale. From basic bookkeeping to comprehensive financial management, our packages adapt as your business grows.



Transparent Pricing

Our straightforward fee structure eliminates surprises with zero hidden costs. We offer customized service packages precisely calibrated to your business volume and specific compliance requirements.



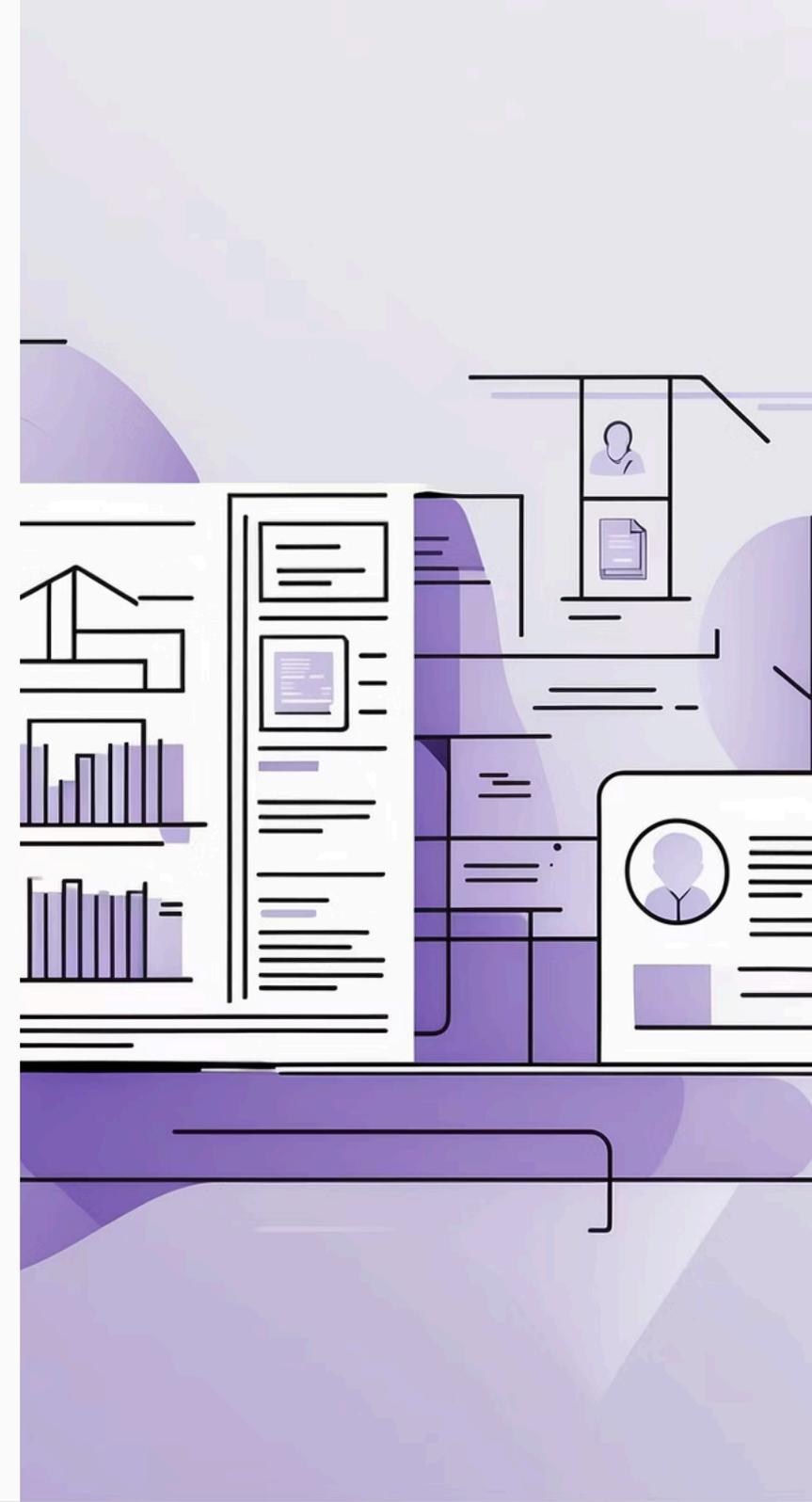
English-Speaking Support

Access dedicated client service from professionals fluent in English, effectively bridging cultural and language barriers for international business owners navigating Thailand's business environment.

About Attori Law

Attori Law helps SMEs, startups, and foreign investors navigate Thailand's complex regulatory landscape. Our bilingual expertise bridges local knowledge with international standards, ensuring compliance, competitiveness, and sustainable growth:

- **Company formation** – optimized for both Thai and foreign ownership
- **Legal advisory** – guidance on commercial, corporate, labor, IP, and investment law
- **Contract services** – creating enforceable agreements in Thai and English
- **Tax compliance** – efficient planning with timely filing and reporting
- **Accounting services** – from basic bookkeeping to CFO-level support
- **Visa & work permits** – business, BOI, SMART, and specialized categories
- **Regulatory licensing** – FDA requirements, Foreign Business Licenses, BOI applications
- **Business consulting** – market entry, risk assessment, and operational optimization





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