



## Tax & Legal Newsletter

### March 2021

#### **Criteria for personal income tax exemption for community enterprises**

On 1 February 2021, the Director-General of the Revenue Department issued a notification regarding income tax (No. 403) to prescribe the criteria for the personal income tax exemption that is available to “community enterprise” under the Community Enterprise Promotion Act (B.E. 2548), which is a partnership or a group of persons that is not a juristic person. The provisions of the notification are summarized below:

- The community enterprise must register and receive a registration certificate from the Department of Agricultural Extension, pursuant to the Community Enterprise Promotion Act (B.E. 2548).
- The community enterprise must prepare accounts or report its daily revenue and expenditure in Thai within three business days from the date such revenue is derived and expenses are incurred, following the format prescribed by the Director-General of the Revenue Department.
- The accounts or report of daily revenue and expenditure, and the registration certificate, must be maintained for a period of no less than five years at the premises of the community enterprise, in case such information is requested by tax officers for inspection.

- The community enterprise must file a list of items of income that are exempt together with the filing of the personal income tax return from tax year 2017 onward.
- This notification applies on an assessable income derived from 1 January 2009 to 2022

### **Criteria for personal income tax exemption for income or other benefits derived from the redemption of an investment unit in a retirement mutual fund (RMF)**

On 27 January 2021, the Director-General of the Thai Revenue Department issued a notification regarding income tax (No. 402) to prescribe the criteria for the personal income tax exemption for income or other benefits derived from the redemption of an investment unit in an RMF. These include, among other criteria:

- In a case where a redemption is made of an investment unit that was purchased by the income earner on or after 1 January 2020 onward, a tax exemption will be granted for income or other benefits derived from the redemption. The amount of the exemption may not exceed 30% of the taxpayer's assessable income and the total exemption is capped at THB 500,000 for each tax year.
- The notification applies retroactively as from 1 January 2020.

### **Criteria for VAT exemption for business operators providing research or academic services**

On 3 February 2021, the Director-General of the Thai Revenue Department issued a notification regarding VAT(No. 238) to prescribe the types of business operators that provide research or academic services that may be exempt from VAT, which are summarized below:

- Individuals or groups of persons that are not a juristic person;
- Foundations;
- The following institutions of higher education:
  - Public educational institutions under the supervision of the Ministry of Education and educational institutions under the supervision of the government;
  - Government educational institutions under the supervision of other ministries; and
  - Private institutions of higher education established under the law governing private institutions of higher education;

- “Special delivery units” that are not a juristic person and are formed as part of a governmental body, under the law governing the administration of service delivery units; and
- Research and development units formed under the law governing the promotion of science, research, and innovation; the exemption is applicable only for services carried out by nonprofit government agencies other than state enterprises.

#### **Extension of deadlines for filing and payment of taxes for taxpayers in flood area (No. 4)**

On 11 February 2021, the Thai Ministry of Finance issued a notification to extend the deadlines for filing and payment of taxes for taxpayers in the area of a flood that occurred in some provinces in the Southern region of Thailand without the imposition of penalties, surcharges, or fines as follows:

- For withholding tax returns (PND.1, PND.2, PND.3, and PND.53 for December 2020, which normally would have been due on 7 January 2021, the deadline was extended to 29 January 2021.
- For VAT returns (Por.Por.30) and specific business tax (SBT) returns (Por.Tor.40) for December 2020, which normally would have been due on 15 January 2021, the deadlines were extended to 29 January 2021. The extension did not apply to the deadlines for filing and payment of SBT on the sale of immovable property in a commercial manner, irrespective of the manner in which such property was acquired (i.e., transactions subject to SBT under section 91/2(6) of the Thai Revenue Code).
- For stamp duty returns (Aor.Sor.4, Aor.Sor.4Gor, and Aor.Sor.4Kor) for which the stamp duty is paid in cash, the deadline for stamp duty payments that normally would have been due from 1 January 2021 to 22 January 2021 was extended to 29 January 2021.

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