

## Thailand New Property Tax

The National Legislative Assembly of Thailand passed the Property Tax Act B.E. 2562 (“Act”) into law on 16<sup>th</sup> November 2018. The Act was published in the Government Gazette on 12<sup>th</sup> March 2019. It has become effective on and from 13<sup>th</sup> March 2019, except for the new tax rates and their applications, which will become effective on 1<sup>st</sup> January 2020 onwards. The Act repealed and replaced the Household and Land Tax Act B.E. 2475 (A.D. 1932) as amended and other local property tax laws.

Under the Act, lands and buildings for agricultural, residential, commercial and industrial uses will be subject to tax at different rates pursuant to their types, uses and appraised values. The applicable tax rates for the 2020 to 2021 tax years are as shown in the table below. The tax rates for the tax years 2022 onwards will be specified by a Royal Decree at rates not to exceed the maximum rates mentioned below.

No.	Types of Lands and Buildings	Appraised Value (Million Baht)	Applicable Tax Rates (of the Appraised Value)	Maximum Rates
1.	Agricultural Use <i>(Individual owners are exempt from tax liabilities for 2020 to 2022 and for agricultural land with appraised value not exceeding THB50 million)</i>	≤ 75	0.01%	0.15%
		> 75 – 100	0.03%	
		> 100 – 500	0.05%	
		> 500 – 1,000	0.07%	
		> 1,000	0.10%	
2.	(a) Main Residential Use of the owner who owns only the building and the owner's name is registered in the household registration documents	≤ 10	Exempt	0.30%
		> 10 – 40	0.02%	
		> 40 – 65	0.03%	
		> 65 – 90	0.05%	
		> 90	0.10%	
	(b) Main Residential Use of the owner who owns both land and building and the owner's name is registered in the household registration documents	≤ 50	Exempt	
		> 50	0.10%	
	(c) Others Residential Use apart from (a) and (b)	≤ 50	0.02%	
		> 50 – 75	0.03%	
		> 75 – 100	0.05%	
		> 100	0.10%	
3.	Other Uses of Land and Buildings, e.g. commercial, industrial uses	≤ 50	0.30%	1.20%
		> 50 – 200	0.40%	
4.	Undeveloped Land <i>(Rates will be increased 0.3% every three years but the combined rates must not exceed 3%)</i>	> 200 – 1,000	0.50%	
		> 1,000 – 5,000	0.60%	
		> 5,000	0.70%	

If the amount of tax payable in any of the 2020 to 2022 tax years is higher than the amount of tax payable in the previous year, the lower rate of the previous year will apply. In addition to the tax at the said lower rate, a portion of the differences between the higher tax amount and the lower tax amount will also be subject to tax, i.e. the portions that account for 25%, 50% and 75% of the differences for 2020, 2021 and 2022 respectively.

Tax assessment will be made in February and payable in April each year. If a taxpayer fails to pay the property tax, he can be subject to a penalty at 10% to 40% of the unpaid tax amount plus a monthly fine of 0.50% to 1% of the unpaid tax amount until the unpaid tax is paid in full.



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