Reduction of VAT Rate Has Been Extended

Under the Royal Decree Issued under the Revenue Code on Reduction of Value Added Tax (VAT) Rate (No. 715) B.E. 2563 (A.D. 2020) ("**RD No. 715**") published in the Government Gazette on 23rd September 2020, effective from 1st October 2020, the current reduction of the VAT rate from 10% to 6.3% will be extended for another year until 30th September 2021 to reduce the cost of living, create confidence in business operation in the private sector, and support economic recovery from the Covid-19 pandemic.

The reduced rate of 6.3% plus the local tax rate of 0.7% under the Municipal Income Act B.E. 2497 (A.D. 1954) will result in the current effective rate of the VAT at 7% to be collected and payable monthly to the Revenue Department by business operators selling goods and/or providing services and importers who have annual incomes exceeding THB1.8 million per year (except for certain businesses, e.g. domestic sales of agricultural products, newspapers, services under employment contract, import of fertilizer, plus the local tax of 0.7%). The monthly VAT return must be filed with the Revenue Department within the 15th day of the following month.



Kowit Somwaiya Managing Partner kowit.somwaiya@lawplusltd.com



Naddaporn Suwanvajukkasikij Partner naddaporn.suwanvajukkasikij@lawplusltd.com

LawPlus Ltd. Unit 1401, 14th Fl., Abdulrahim Place, 990 Rama IV Road, Bangkok 10500, Thailand Tel. +66 (0)2 636 0662 Fax. +66 (0)2 636 0663 www.lawplusltd.com

The information provided in this document is general in nature and may not apply to any specific situation. Specific advice should be sought before taking any action based on the information provided. Under no circumstances shall LawPlus Ltd. or any of its directors, partners and lawyers be liable for any direct or indirect, incidental or consequential loss or damage that may result from the use of or the reliance upon the information contained in this document. Copyright © 2020 LawPlus Ltd.