



## THAILAND - January 2018

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### LAND TAX BILL SET TO FACE IMPACT HEARINGS ..... 1

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#### Land tax bill set to face impact hearings

The land and buildings tax bill is unlikely to be scrapped but public hearings on possible negative impacts are required before the National Legislative Assembly (NLA) moves ahead with its deliberation, NLA deputy chairman Surachai Liangboonlertchai has said.

Public input is needed on controversial aspects of the bill, particularly the part that requires landlords to pay tax on land they rent out to others. That part of bill, he said, might lead to a situation in which these landlords may shift the tax burden on to their tenants instead.

The NLA can extend the period of time for deliberating the bill for at most another two months, but could hold a meeting to decide on an extension of time if necessary.

The bill is being scrutinised by an NLA standing committee after recently being passed in its first reading.

The new property tax will replace the outdated house and land tax and the local development tax.

As for the tax bill proposed by the Finance Ministry, it calls for the tax to be levied on first-home owners and farmland appraised at more than 50 million baht.

A tax rate of 0.05% would be applied to first homes and agricultural land worth between 50 million and 100 million baht, and a 0.1% rate for homes above 100 million. People owning second homes would be taxed in a range of 0.02-0.1% of the appraisal price.

The tax on vacant land would rise by 0.5 percentage points every three years, up to a cap of 5%, while land for commercial and industrial use would be levied at 0.3-1.5%.

"I believe the draft won't be rejected," Mr Surachai said.

Over the past year, the NLA had received a total of 334 draft laws for deliberation, 271 of which have been passed, he said, adding that 263 of the passed laws have since been published in the Royal Gazette and 259 have come into effect.

Among the bills already passed into law are four organic laws of the constitution, namely the organic law on political parties, one on criminal case procedures against holders of political positions, one on the Human Rights Commission and the other on elections, he said.

Three more organic bills passed by the NLA into law but are still awaiting royal endorsement are the organic law on the Ombudsman, one on the Ombudsman's work and the other is on Constitution Court case procedures, he said.

The organic bill on the National Anti-Corruption Commission (NACC) has passed all three readings, but the NLA chairman still has to forward the bill to both the Constitution Drafting Committee and the NACC chairman to seek their opinion, he said.

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They are required give their opinions to the NLA within 10 days and if there are no objections, the bill will be forwarded for royal endorsement, Mr Surachai said.

The NLA has also processed 218 out of 349 complaints received from the public over the past year, he said, adding most of the complaints, or 97, dealt with alleged malfeasance by state officials. The NLA has forwarded these complaints to the bodies concerned for examination, he said.

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