



## THAILAND - April 2018

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### **GOLF COURSES, ZOOS, AIRPORTS IN FOR TAX BREAKS, MINISTRY SAYS ..... 1**

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#### **Golf courses, zoos, airports in for tax breaks, ministry says**

Golf courses, zoos and airports are among business operators which could enjoy tax alleviation measures under a proposed land and buildings tax bill planned for next year, the Finance Ministry says.

The bill sailed through its first reading by the National Legislative Assembly (NLA) in March last year and is now being deliberated by an NLA subcommittee.

Deputy Finance Minister Wisut Srisuphan said the subcommittee earlier planned to wrap up its vetting by the end of this year, but it asked to extend its deliberations by another two months. He noted the delay will not derail a plan for the legislation to be put into force early next year.

The contents of the bill have been agreed upon by the subcommittee's members but consideration is now turning to certain measures which should alleviate the impact of the legislation, including an exemption on tax collection from certain buildings and other structures, according to Mr Wisut.

Those who sought help from authorities for tax alleviation measures include golf course operators, he said. As golf is one of the sports which draws fame to the country, the subcommittee believes fairways could be entitled to tax alleviation measures, he said.

However, golf course clubhouses should be levied since they involve normal business operations, he said. If no alleviation measures are introduced, the golf course operators would be affected by the legislation as each site uses approximately 400-500 rai of land. As for zoos, they are recreational sites for people and they should be liable for alleviation measures, the deputy finance minister noted.

Alleviation measures could also be applied to airports' surrounding areas, which are off-limits for safety reasons since the space is not set aside for commercial purposes, Mr Wisut said, adding railway areas should also be entitled to the tax alleviation measures.

The measures can come out in the form of an organic law, which would define the criteria where alleviation measures or tax exemptions would be applied, he noted. The degree of alleviation measures will be based on the business type, he said.

The NLA subcommittee, according to Mr Wisut, has agreed first-home owners would not be taxed on homes worth 20 million baht or lower. A tax rate of 0.02% would be applied to them if their homes are valued from 20-50 million baht.

A tax rate of 0.02% would be applied to those owning second homes valued up to 50 million baht. Land for commercial use, worth up to 50 million baht, would be levied at 0.3%, he said. The tax on vacant land would be at 0.3% and it would be raised by 0.3% every three years and capped at 3%.

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Individuals who have up to 50 million baht worth of farmland would not be levied. For those who have farmland valued above 50 million baht, a tax rate of 0.01% would be applied to the excess amount from 50 million to 75 million baht. For juristic persons who own farmland, a tax rate of 0.01% would be applied to them if their land is valued up to 70 million baht, he said.

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