



RSM FOCUS

Welcome to issue 10 of RSM Focus – RSM Thailand's Newsletter covering various issues including taxation services in Thailand

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Tax Measures to Aid Flood Victims

THE POWER OF BEING UNDERSTOOD
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Introduction

Welcome to the tenth edition of RSM Focus. This edition features a topical article on the tax measures to aid flood victims and which was prepared by one of RSM Thailand's Tax Consultants.

Tax Measures to Aid Flood Victims

In accordance with the resolution passed by the Cabinet on 1 August 2017, the following tax measures have been approved to assist flood victims in various parts of Thailand:-

1. Tax measures to aid flood victims in accordance with the Cabinet's resolution.

1.1. Tax measures to promote donations to assist flood victims

Donors are entitled to deduct a tax expense of 1.5 times of any donation made between 5 July 2017 and 31st October 2017 and which are listed below:-

- (1) For **individual donors**, the amount of contributions can be deducted as a personal income tax deduction by 1.5 times, but when combined with other donations, the total must not exceed 10% of assessable incomes after deduction of expenses and other reliefs/allowances.
- (2) For **company or juristic partnership donors**, the amount of the contributions or the value of assets donated can be deducted as corporate expenses by 1.5 times, but when combined with other contributions to public charities or public interests, the total must not exceed 2% of net profit. As such, this must be donated to government donors, foundations, organizations or a public charity announced by the Minister of Finance, as stipulated in the Government Gazette, or a donation agent who is a company or juristic partnership or other juristic person registered as a donation agent with the Revenue Department, such as a television station or radio station, etc.

1.2. Tax measures to help and rehabilitate people affected by the floods

- (1) A payer of income can be entitled to deduct expenses paid for repairs, or material costs, or **equipment for the repair of immovable property**, or property which is permanently installed in a building, or in the premises of a building, or in the repair of condominium units, or installed assets in a permanent manner with condominium units, which were damaged by flooding between 5 July 2017 and 31 December 2017, which are located in the areas which the government has announced as a flood disaster area, in the amount of the actual payment, up to a total not exceeding 100,000 Baht.
- (2) A payer of income can be entitled to deduct expenses paid for repairs, or material costs, or **for car repairs** under the Motor Vehicle Law or the Land Transport Law, or equipment, or facilities in a car damaged by flooding between 5 July 2017 and 31 December 2017, which is located in an area announced by the government as a flood disaster area, in the amount of the actual payment, up to a total not exceeding 30,000 Baht.

2. Evidence for donation to aid flood victims for tax allowance/relief purpose

- Evidence for receipt of money or property, such as a letter for receipt of donations issued by a government or juristic person agent which states that this is a donation to help flood victims, specifying the area and the duration of the floods must be obtained and retained.

- Evidence for the transfer of money via a bank account which proves the transferor and the transferee, e.g. a deposit slip, during the period of the flood must be obtained and retained.
3. A company or juristic partnership or other juristic person wishing to represent the donation as mentioned in 1.1 must act as an intermediary for the donation of money, property or goods to help the flood victims. These parties must register their names with the Revenue Department using the form "**Request to represent for donation to help flood victims, windstorms, fire or other natural disasters taken place in Thailand as from 1 January 2011 onwards**", lodged with the Director-General of the Revenue Department, via the Director of Tax Compliance and Revenue Inspection or Area Revenue, each time before or after the donation. The notification must be completed during the period of the flood or within one month after the flooding has ended.

Should you require any further information regarding the contents of this issue, please do not hesitate to contact one of RSM Thailand's tax consultants:-

<https://www.rsm.global/thailand/service/taxation-services-bangkok-and-thailand>

RSM Thailand

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