



Tax Relief Measures on medical donation

Taxation

On 18 May 2021, one draft of the Royal Decree issued under the Revenue Code has been proposed which provides tax benefits for donation on medical supplies imported for public charitable purposes. The tax benefits are offered for donations made between 1 March 2021 and 31 March 2022.

- Value-added tax (“VAT”) is exempted when the importation of necessary medicines and medicals needed are donated to the medical institutions, such as government-owned medical institutions, medical institutions of public universities, medical institutions of local administrative organizations, including the public non-profit organizations such as the Thai Red Cross Society. Moreover, the corporate income tax (“CIT”) exemptions are also granted for donations made by corporate entities.

Another draft of the Royal Decree grants tax incentives to individuals or businesses who donate funds to the National Vaccine Institute to encourage vaccine research, development, manufacturing, and distribution.

- Individuals are able to deduct their personal income tax through this donation. However, after deducting expenses and allowances, the total deduction for donations shall not exceed 10% of taxable income. Companies or juristic partnerships will be allowed to deduct CIT, however, the total deduction of CIT shall not exceed 2% of net taxable profits. Furthermore, if the donators are VAT operators, such donation will be VAT exempt.

This tax incentive only applies to donations to the National Vaccine Institute made through the Revenue Department's e-Donation system between January 1, 2021 and December 31, 2023.