



Business urged to use digital tax system

The Revenue Department of Thailand is actively promoting the adoption of a digital tax system to streamline tax administration processes and enhance the efficiency of value-added tax (“VAT”) refunds. According to the Director-General, Mr. Lavaron Sangsnit, the implementation of the digital tax ecosystem will significantly expedite VAT refunds, reducing the processing time from 15 days to just 3 days. This move aligns with the department's ambitious goal of achieving a fully digital tax system by 2028.

Benefits of the Digital Tax Ecosystem: The transition to a digital tax system offers several advantages, including the elimination of paper-based document management and the expedited processing of tax refunds. By embracing digital processes, entrepreneurs can benefit from faster and more efficient tax administration, enabling them to manage their taxes seamlessly from start to finish.

Authorized Service Providers: To ease the burden on small and medium-sized entrepreneurs entering the formal tax system, the Revenue Department has authorized service providers to act as agents for tax filing. These providers will assist taxpayers in navigating the complexities of the tax and accounting systems, reducing errors and obstacles in tax administration. Additionally, service providers are responsible for storing tax documents electronically, further streamlining the process.

Digital Roadmap: The Department has outlined a digital roadmap with specific milestones

for the transition to a fully digital tax system. By 2024, service providers must be able to prepare information and file tax returns on behalf of taxpayers. Large companies will be required to create electronic tax invoices by 2025 and file tax returns electronically by 2027. Ultimately, by 2028, all entrepreneurs will be expected to file tax returns electronically.

Incentives and Collaboration: To encourage participation in the digital tax system, the Revenue Department provides tax benefits such as double deductions for investments in electronic systems and payments made to service providers. In addition, the Department is urging large companies to support their suppliers in the digital transformation process, as many suppliers still manually file their tax returns, resulting in paper-based tax invoices.

The Revenue Department of Thailand is actively driving the adoption of a digital tax system to enhance tax administration efficiency and expedite VAT refunds. The transition to digital processes eliminates the need for paper-based document management and significantly reduces processing time. By engaging authorized service providers and offering tax incentives, the Department aims to simplify tax filing for entrepreneurs and achieve a fully digital tax system by 2028. The Department's efforts align with the country's economic recovery, as demonstrated by the exceeding revenue collection targets for fiscal 2023