



The Ministry of Finance and the Ministry of Interior assess land and building tax

The Ministry of Finance (“MOF”) and the Ministry of Interior (“MOI”) have been assessing problems regarding the efficiency in collecting land and building tax. The Fiscal Policy Office Director-General indicated that the law must be re-evaluated or re-assessed every five years by a public hearing.

As provided in section 7 of the Land and Building Tax Act (the “Act”), the Act empowers local administrative organizations to collect the tax from properties located in their jurisdictions with the aim of increasing public revenue and creating efficiency in tax collection whereby the tax base for calculation of land and building tax depends on the value of a land plot and/or a building, assessed by the Treasury Department, as prescribed in section 35 and section 36 of the Act.

The tax rates under section 37 of the Act vary, depending on the purposes of a plot of land and a building used for, which can be categorized as agricultural, residential, commercial, or vacant or unused property. The law also provides tax exemption to minimize the tax burdens, provided that the owner must be an individual and the appraised value of the land and the house does not exceed 50 million baht. The specific tax rates reduction and exempting rules shall be published in the Royal Decree regularly in each tax year.

In accordance with the latest update on this law, the Royal Decree on Land and Building Tax Reduction (No.3) B.E. 2566 (2023) was issued. This Royal Decree generally provides a tax reduction of 15 percent for all land and buildings regardless of its usage purpose with few non-eligible exemptions.