Bangkok Global Law
540, Unit 1705, 17th Floor, Mercury Tower,Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330 Thailand
Tel: +(66) 2 2525895-6 Fax: +(66) 2 2525897
Website: www.bgloballaw.com
E-mail: info@bgloballaw.com

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Tax measures cuts income tax ceiling to 17% to encourage highly skilled Thai talents to return Thailand

On 30 July 2024, the Cabinet approved the Finance Ministry’s proposal to encourage highly skilled Thai talents overseas to return and work in Thailand.

With the aim to attract highly skilled Thai talents to return from overseas to help develop industries in Thailand.

Tax benefits according to tax measures to support Thai talents overseas to return to work in Thailand are as follows:

Reduce personal income tax rates (Employees)

Reduce the personal income tax withholding rate to 17% of income for a period of 5 years for assessable income derived from employment by companies or juristic partnerships engaged in target industries, as defined by the law on enhancing the country's competitiveness for target industries, the law on investment promotion, or the law on the Eastern Economic Corridor (EEC) special development zone.

the Thai workers must have at least a bachelor's degree, have worked abroad for at least 2 years, and must have returned to Thailand after the tax benefit law came into effect.

Exemption from corporate income tax (Employers)

Companies in the target industries that pay salaries to Thai talents who return to work in the Thailand is are entitled to deduct 1.5 times the salary paid to employees under employment contracts, from the date the law comes into effect until 31 December 2029 *(normally, only 1 time can be deducted).* The employer must also notify the Revenue Department of the names of employees who will be eligible for the reduced tax rate.

Nevertheless, there is no detail about which industries are eligible.