



Finance Ministry Sets Timeline for Comprehensive Tax Reform

The Ministry of Finance is preparing a comprehensive tax reform roadmap aimed at strengthening Thailand's revenue collection and promoting greater equity in the tax system. According to the Permanent Secretary, Mr. Lavaron Sangsnit, once the government's "Quick Big Win" programs are completed, the Ministry of Finance will proceed with detailed timelines for implementing each reform measure, focusing on both tax increases and reductions.

A key priority under the Finance Minister, Mr. Ekniti Nitithanprapas is amendment to personal income tax deductions, which currently allow taxpayers to claim multiple benefits that, in some cases, exceed one million baht per person. The Ministry of Finance views the extensive use of deductions as a structural weakness that undermines revenue efficiency. While adjustments may enhance fiscal sustainability, they must also balance the government's policy of using tax incentives to encourage savings and investment.

The Fiscal Policy Office (FPO) has reiterated the need to broaden the tax base, highlighting that Thailand's 7% VAT rate remains among the lowest in comparable emerging markets and that domestic VAT revenue as a share of consumption has been steadily declining. The FPO suggests that a one-percentage-point increase in VAT could yield approximately 70 billion baht in additional annual revenue, providing fiscal space for social welfare and infrastructure spending.

The proposed reforms reflect a strategic move toward long-term fiscal resilience amid changing economic structures, such as the rise of electric vehicles and digital transactions that erode traditional tax bases. If implemented, the plan could mark Thailand's most significant tax overhaul in decades—realigning incentives, tightening compliance, and positioning the tax system to better support sustainable economic growth.

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