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Corporate Income Tax Exemption for Investment in Hotel Property Improvements

The Notification of the Revenue Department, aims to stimulate investment by hotel operators in improving and upgrading assets used in their business operations. Corporate income tax exemption is provided in respect of expenses incurred for the "addition, alteration, expansion, or improvement" of assets related to hotel operations under the law governing hotels. Importantly, such expenses must be distinguished from repair expenses merely maintaining assets in their original condition.

(1) The Notification limits the exemption to two categories of assets: permanent buildings used in hotel business operations under the Hotel Act; and

(2) fixtures or furniture that form integral parts of and are permanently affixed to such buildings, and which cannot be removed without causing damage or altering the structure or condition of the asset.

This limitation reflects a tax policy objective of supporting investment in long-term capital assets that enhance competitiveness and service standards in the hospitality sector. The measure imposes a clear timeframe. Eligible expenses must arise from contracts, purchase orders, work orders, or similar agreements executed between 29 October B.E. 2568 (2025) and 31 March B.E. 2569 (2026).

Where the works constitute building modification under the Building Control Act, the application for a construction or modification permit—or notification must also be submitted within the same period. The Notification further prohibits commencement of improvement works before 29 October 2025 in cases where permits were previously obtained, thereby preventing retroactive claims in respect of pre-existing projects.

In cases where the works do not qualify as building modification under the Building Control Act and its ministerial regulations, the expenses must still arise from contractual arrangements executed within the prescribed period. These conditions demonstrate the Revenue Department's intention to ensure that only genuinely new investments within the policy window benefit from the incentive.