



Hotel Operators Call for Restructuring of Land and Building Tax

Hotel operators in Thailand have urged the government to revise the current land and building tax framework, arguing that the existing structure places a heavy financial burden on businesses. The Thai Hotels Association (THA) stated that requesting temporary tax discounts each year does not address the underlying issue, and instead proposed that the tax system be restructured to be based on business revenue rather than land appraisal values, similar to the former property tax regime.

The land and building tax has been in effect since 2019, though full-rate collection only began in 2024 following several temporary reductions during the pandemic. Under the current system, taxes are calculated based on official land appraisal prices determined by the Treasury Department, which are reviewed every four years, with the next revision scheduled for 2027. Although land prices are expected to increase by less than 10%, hotel operators say the tax still significantly increases fixed costs for many businesses.

Industry representatives argue that the current tax calculation method disproportionately affects small hotels, retail shops, and affordable rental apartments located in prime areas. Even businesses facing weak consumer demand are required to pay taxes based on land value rather than their actual income, making it difficult to adjust during periods of economic slowdown.

The THA also questioned whether land appraisal values, originally designed for collateral evaluation and property transfer pricing, are appropriate for tax calculations. According to the association, linking tax obligations more closely to business revenue would better reflect economic realities and allow businesses to manage tax burdens more effectively during periods of uneven economic recovery.

Hotel operators therefore plan to raise the issue with the finance minister once the new government is formed, seeking a broader review of the tax structure to ensure it remains appropriate and does not impose excessive burdens on businesses and consumers.