

Thailand Gazettes Ministerial Regulation Further Extending Incentive for Electronic Withholding

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The government has gazetted Ministerial Regulation 389 (2023) which reduces further the withholding tax rates on certain assessable income paid from 1 January 2023 to 31 December 2025 to 1% (from the statutory rates of 5%, 3% or 2%), provided that the payments are made through the electronic withholding system (see [Cabinet Approves Extension of Incentive Period for Adoption of Electronic Tax Systems \(26 January 2023\)](#)).

The reduction of the statutory rates applies to the following income:

- paid to companies and juristic partnerships doing business in Thailand, except foundations and associations:
 - income from hire of work (section 40(2) of the Revenue Code);
 - income derived from goodwill, copyright and other similar rights (section 40(3));
 - income from property rental (section 40(5)(a)) other than ship rental;
 - income from liberal professions (section 40(6));
 - income from contract of work (section 40(7)), including registered branches of foreign companies;
 - prizes from competitions, lucky draws, etc. (section 40(8)); and
 - certain income under section 40(8); and
- paid to individuals:
 - income from property rental (section 40(5)(a)) other than ship rental;
 - income from liberal professions (section 40(6));
 - income from contract of work (section 40(7));
 - prizes from competitions, lucky draws, etc. (section 40(8));
 - income of public entertainers domiciled in Thailand (section 40(8)); and
 - certain income under section 40(8).

The measure is aimed at encouraging taxpayers to remit taxes via the electronic withholding system.

