

CHAPTER

1

Thailand Taxes

The Thai government raises the vast majority of its revenues through taxes in order to finance its operation. Of course, Thailand also derives non-tax incomes, i.e. the profits (and sometimes losses) from state enterprises, concession fees and official fees. But taxes remain the most important source of the income of the country.

How Thailand Collects Taxes?

Thailand is a country with a unitary system of government, in which the central government (the national government) ultimately holds the power to run the entire country. While this central government exercises directly its power over its citizen, however, it may decide to delegate some responsibilities to local governments, commonly known as local administrative organizations. One of the important tasks delegated to the local government is to collect certain taxes from its people (the taxpayers) in the area under its jurisdiction. Thus, for the purpose of collecting taxes, both the central government and the local government work hand in hand to fill in the nation's coffers with tax revenue.

The central government collects taxes through its three agencies under direct supervision of the Ministry of Finance: the Revenue Department, the Excise Department and the Customs Department. The Revenue Department is in charge