



Thailand Tax Update: Paying Land and Building Taxes in 2020

Since the Land and Building Tax Act B.E. 2562 (2019) (the “Act”) has become fully effective on January 1, 2020, **land and building owners, and those who possess or use land and buildings that belong to the state**, are required to pay land and building taxes as assessed by the relevant local administrative organization depending on the purpose of use and the appraised value of the respective land and building.

Given that the Act fully came into effect early this year and precedents in enforcing the Act have barely established, various questions regarding tax collection pursuant to the Act have been raised and discussed amongst taxpayers but left unanswered.

To clarify those concerns that remain unclear, on August 27, 2020, the Director of the Department of Local Administration, provided a guideline in respect of the enforcement of the Act including a few major issues described below:

1) If a notice of tax assessment is not delivered to a taxpayer, it shall be deemed that the taxpayer is not required to remit land and building taxes. He explained that taxpayers may not receive the notice possibly because they are already exempted from paying the taxes, among other reasons.

Apart from his explanation, the notice, instead of being delivered, can be deemed served if it is posted at a place that is easily visible of the domicile, residence or place of business of the taxpayer pursuant to the Act.

2) Without such notice being served within the deadline, taxpayers will be released from the obligation to pay tax and retroactive assessment of the taxes is not allowed.

We found that the notice for the year 2020 should have been served within June 2020 in general, but the period for tax assessment may be extended in each area as decided by the relevant local

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administrative organization; for example, the Bangkok Metropolitan Administration extended the period to October 2020. Taxpayers should therefore keep an eye out for such notices and updates from the relevant authority.

The above clarification is a guideline and subject to changes and interpretation by local administrative organizations of each area.

For further details of the clarification, please refer to <https://thainews.prd.go.th/th/news/detail/TCATG200827191000124> or contact our team at Kudun and Partners.

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