

Newsletter No 18 (EN)

Income Tax Free for Travel Allowance, Reporting Foreigner's Income

May 2009

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This Newsletter shall provide information on the following:

1. Income tax free travel allowance

The summary outlines up to which amount a Thai company can pay their staff income tax free allowance for work performed for the company outside the registered office (*see below the Revenue Department's Departmental Instruction No. Paw. 59/2538*).

For example, if the Managing Director traveled to Germany for 12 days, the company could pay up to THB 37,200 (THB 3,100 a day) income tax-free to their employee (*see page 5 Summary of Income tax free Payment for Travelling*).

2. Reporting Foreigner's income to the Revenue Department

The **Revenue Department** changed their regulation with regard to the income reporting of foreign employees (*see page 6 Notification of the Director-General of the Revenue Department on Income Tax No. 123 and page 8 the Income Reporting Form and its Translation*).

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DEPARTMENTAL INSTRUCTION

No. Paw. 59/2538

Subject: Personal income tax: Travelling per diem excludible in computing personal income tax under Section 42 (1) of the Revenue Code.

To provide the Revenue officers with a guideline in practices including giving advice to payers of income and the income receivers in the form of travelling per diem in the case of performing duties occasionally outside the office or place of business, being an assessable income excludible in computing income tax under Section 42 (1) of the Revenue Code, the Revenue Department gives an instruction as follows:

Clause 1. The travelling per diem which an employee, a holder of post or office or a provider of services receives because of travelling occasionally to perform duties within or outside the country, and is excludible in the computation of personal income tax, shall be subject to the following conditions:

- (1) The travelling per diem is bona fide spent by such person necessarily and exclusively for performing his duties and wholly spent for such purposes.
- (2) If such person receives per diem at the rate not higher than the top per diem rate the government pays to its officials under the royal decree governing per diem for official travelling in or outside the country, as the case may be, in the nature of a lump-sum payment, such per diem shall be treated as bona fide spent by such person necessarily and exclusively for performing his duties and wholly spent for such purposes without having to possess a record to prove the payment.
- (3) If such person receives per diem at a rate higher than under (2) and has no

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documental record to prove that the per diem has been bona fide spent by him necessarily for performing his duties and wholly spent for such purpose, only that part of the per diem which does not exceed the rate mentioned under (2) shall be treated as has been so spent.

Clause 2. The travelling for performing the duties under Clause 1 must be evidenced by a record to have had the approval of the employer or the payer of income for performing the duties outside the office or place of business, such record being required to specify also the nature of the duties to perform and the duration of the performance.

Clause 3. All the regulations, directives, instructions or rulings that are contrary to or in conflict with this instruction shall be repealed.

Clause 4. This instruction shall be effective on and from the 1st day of January B.E. 2539.

Given on the 25th Day of December B.E. 2538

Captain Suchart Chaovisit

Director-General of Revenue

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Summary of Income Tax Free Payment for Travelling, but still Tax Deductible for the Company

Company payments to employees (per day) for:		Within Thailand	All other countries
• Travel	to get reimbursed by Company, need Receipt	no limit	no limit
• Accommodation, Hotel	to get reimbursed by Company, need Receipt	no limit	no limit
• Food (business purpose)	to get reimbursed by Company, need Receipt	no limit	no limit
• Food (personal purpose)	even with Receipt, if reimbursed, then taxable for employee		
• Extra monies, Additional Salary, Bonus for work outside:	No Exemption, taxable for employee!!		
• <u>but</u> per diem	Tax free to cover extra costs (<u>without</u> Receipt) caused by traveling, maximum up to:	THB 240.00	THB 3,100.00

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Notification of the Director-General of the Revenue Department on Income Tax (No. 123) Re: Prescription of the Filer of Return to Give Information under Section 17 (2) of the Revenue Code

For the purpose of tax collection, the Director-General of the Revenue Department prescribes (by virtue of Section 17 (2) of the Revenue Code as amended by the Act on Amendment of the Revenue Code (No. 25) B.E. 2525 (A.D. 1982)) that any person having the duty to deduct income tax at source under the Revenue Code and file a return has to give information to the assessment officer together with particulars, as follows:

Clause 1 The Notification of Director-General of the Revenue Department on Income Tax (No. 39), Re: Requirement of a Person Whose Duty is to File a Return to Give Information under Section 17 (2) of the Revenue Code, dated April 14, B.E. 2534 (1991) shall be repealed.

Clause 2 Payer of assessable income under Section 40 (1) of the Revenue Code, who has the duty to deduct income tax at source according to Section 50 (1) of the Revenue Code and submit a return according to Section 59 of the Revenue Code, shall give information and show details on foreign income earners at least in the particulars as appeared in the form hereto attached, in the following cases:

- (1) When the payment to the foreigner is the income of the month of January of any year;
 - (2) When the payment to the foreigner whose work starts during the tax year;
- and

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(3) When the payment to the foreigner finishes during the tax year.

Clause 3 The form showing information and details according to Clause 2 shall be filed together with the Phor.Ngor.Dor. 1 of January of every tax year, or the month when the foreigner starts working during the tax year, or the month where the foreigner finishes his work during the tax year, as the case may be.

Clause 4 This Notification shall be enforceable on and from 1st January B.E. 2546 (2003). The form showing information and details on foreign income earner for the month of January B.E. 2546 (2003) may be filed together with the Phor.Ngor.Dor. 1 Form of the month of January B.E. 2546 (2003), February B.E. 2546 (2003), or March B.E. 2546 (2003).

Notified on 25th December 2002

Supharat Khawatkun

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แบบแจ้งข้อความเกี่ยวกับเงินได้ของคนต่างด้าว

เดือนมกราคม พ.ศ.

กรณีเข้าทำงาน

กรณีออกจากงาน

บริษัท/ห้างหุ้นส่วน..... เลขประจำตัวผู้เสียภาษีอากร

(1) เป็นสำนักงานปฏิบัติการภูมิภาค

(2) ไม่เป็นสำนักงานปฏิบัติการภูมิภาค

ที่ตั้งสำนักงาน โทร

ลำดับ ที่	ชื่อ-ชื่อสกุล และ ที่อยู่ในประเทศไทย	เลขประจำตัว ผู้เสียภาษีอากร	ใบอนุญาต ทำงานเลขที่/ ออกให้ที่/ วัน/เดือน/ปี	หนังสือ เดินทางเลขที่/ ออกให้ที่/ วัน/เดือน/ปี	วัน/เดือน/ปี ที่เข้าทำงาน	วัน/เดือน/ปี ที่ออกจากงาน	เงินเดือน ต่อเดือน	ประโยชน์เพิ่มที่ได้ เนื่องจากการจ้างแรงงาน ต่อเดือน (เช่น ค่าที่พัก ค่าอาหาร ค่าพาหนะ)

ลงชื่อ ผู้จ่ายเงิน

(.....)

ตำแหน่ง.....

วันที่ เดือน พ.ศ.

dg123a

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Income Information of a foreigner

January _____

In case of start of work

In case of exit from work

Co. name Tax ID No.

(1) Regional Head Quarter

(2) Not being a Regional Head Quarter

Address Tel.

No.	Name-Surname and address in Thailand	Tax ID No.	Work permit no./ Place of issue/ Date/ month/ year	Passport no./ Place of issue/ Date/ month/ year	Date start of work	Date exit from work	Salary per month	Other benefit per month (like: Rent allowance, food allowance, traveling allowance, et. al)

Name.....Payer

(.....)

Position.....

Date.....Month.....Year.....