

# ***VICKERY & WORACHAI LTD.***

***LAWYERS***

## ***LEGAL NEWSLETTER***

DECEMBER 2002

---

### **Laws and Regulations Updated**

- Tax Measures to Stimulate the Real Estate Sector and to Support Low Income Earners.

**Vickery & Worachai Ltd.**

*Lawyers*

16th Floor, Diethelm Tower A, 93/1 Wireless Road, Bangkok 10330, Thailand

Telephone: (66) 02-256-6311, 02-650-9691, Fax: (66) 02-256-6317/8, Email: [vwlaw@loxinfo.co.th](mailto:vwlaw@loxinfo.co.th)

---

**Tax Measures to Stimulate the Recovery of Real Estate Sector  
and to Support Low Income Earners**

---

The significant criteria of these measures are as follows:

1) **Tax Measure for Debt Restructuring covers:**

- (1) extension for one more year on tax exemption and incentives (extended from 31 December 2002 to 31 December 2003); and
- (2) extension for one more year on registration fee at the rate of 0.01% in case of the debt restructuring under the Land Code and condominium laws (extended from 31 December 2002 to 31 December 2003).

2) **Tax measure for Organization Restructuring covers:**

- (1) extension of tax exemption period in case of organization restructuring by transfer of partial business to each other (extended from 31 December 2002 to 31 December 2003); and
- (2) extension for one more year on registration fee at the rate of 0.01% in case of the organization restructuring under the Land Code (extended from 31 December 2002 to 31 December 2003).

3) **Tax measure for supporting the sale and purchase of immovable property covers:**

- (1) extension for one more year on reduction of Specific Business Tax from the sale of immovable property from the rate of 3.3% (including local tax) to be 0.11% (including local tax) (extended from 31 December 2002 to 31 December 2003); and
- (2) extension for one more year on registration fee under the Land Code and Condominium laws at the rate of 0.01% (extended from 31 December 2002 to 31 December 2003).

4) **Tax Measure to support the purchase of new residence.**

The personal income tax collected from income of the sale of the immovable property will be exempted in case the seller uses income to buy new immovable property as a new residence.

The rules and conditions concerning to this measure are as follows:

- (1) The seller must reside in the sold property at least 1 year before the date of selling of such property.
- (2) The seller must buy new property as a new residence within 1 year before or after the sale of such property.

5) **Tax measure to support Low Income Earners**

Income tax will be exempted for the initial net income amount of Baht 80,000 (formerly, the exempted amount was the initial net income amount of Baht 50,000).

The above mentioned tax exemption shall be effective for the income that gained in the year of 2003 onwards.