



# Hua Hin Gardens Resort

## Death and taxation

They are the two certainties in life. Thailand, despite being a land of milk and honey, is not different from anywhere else.

### **Legal matter**

#### ***Make a Will.***

You should make a Thai Will.

It is particularly important if you decide to become long time resident, for instance retirement. This document can be in English but a Thai version must be drafted at the same time. It will describe your Estate held in Thailand (Title Deeds, Bank accounts, etc...). You can bequeath you estate to anybody, Thai or foreign.

#### ***No Will***

If you die interstate, the Estate will pass to the statutory heirs in accordance with Thai Law. There are six types of heirs, in order of priority: spouse, spouse and children, spouse and parents, brothers and sisters, grand parents (if no spouse, children, parents, brothers and sisters) uncles and aunts (if none of the above). If nobody is in existence, the Thai Government will take the lot.

### **Taxation**

If you wish to sell your property, you will have to pay taxes on your profit.

Three elements of tax will apply:

#### **1. Transfer Tax.**

The fee you pay to the Land Office to register the new owner of your condominium. It amounts to 2.5% of the official valuation of your property (different from the real price) and is usually split 50/50 between the buyer and seller.



## 2. Withholding Tax

Is calculated from the Official Valuation of your property.

The whole computation is complex but briefly works as follows: You can deduct a percentage of the value, on a sliding scale, for each year you owned the property. For instance, 77% of the value is deducted after three years. If the Official Valuation of your Condo is 2,000,000 baht, you will be able to deduct 77%, or 1,540,000 baht, leaving 460,000 baht which is divided by the number of years in possession (in this case 3), or 153,333 per year.

The tax calculation is on a progressive scale:

	Rate	Your bill
0 to 80,000 baht	0%	0
80,001 to 100,000	5%	1,000
100,001 above	10%	5,333
	Tax due per annum	<u>6,333</u>
	<b>x 3 years</b>	<b>18,999</b>

## 3. Business Tax

3.3% tax is only levied if you dispose of your asset within five years of acquisition. It is assessed on either the Official Valuation or the Declared Sales Value, which ever is the highest.

For instance on a 2,000,000 baht transaction, the tax would be 66,000 baht.

As far as we know, the above was correct when this sheet was put together. In any events you should seek professional advice on all Tax and legal matters regarding property transaction in the Kingdom of Thailand.

The Thai tax authorities have a very good website at [www.rd.go.th](http://www.rd.go.th)