

Have your tax withheld at one step with e-withholding tax

e-Withholding Tax system is a newly created digital transformation service initiated by the Revenue Department in close collaboration with financial institutions operating in Thailand. This system takes the needs of those in the process of reporting the amount of tax withheld, both the person liable to withhold tax (the payer) and the taxpayer from whom tax is withheld (the payee). The system uses information technology designed and developed to integrate with financial technologies for greater ease and convenience.

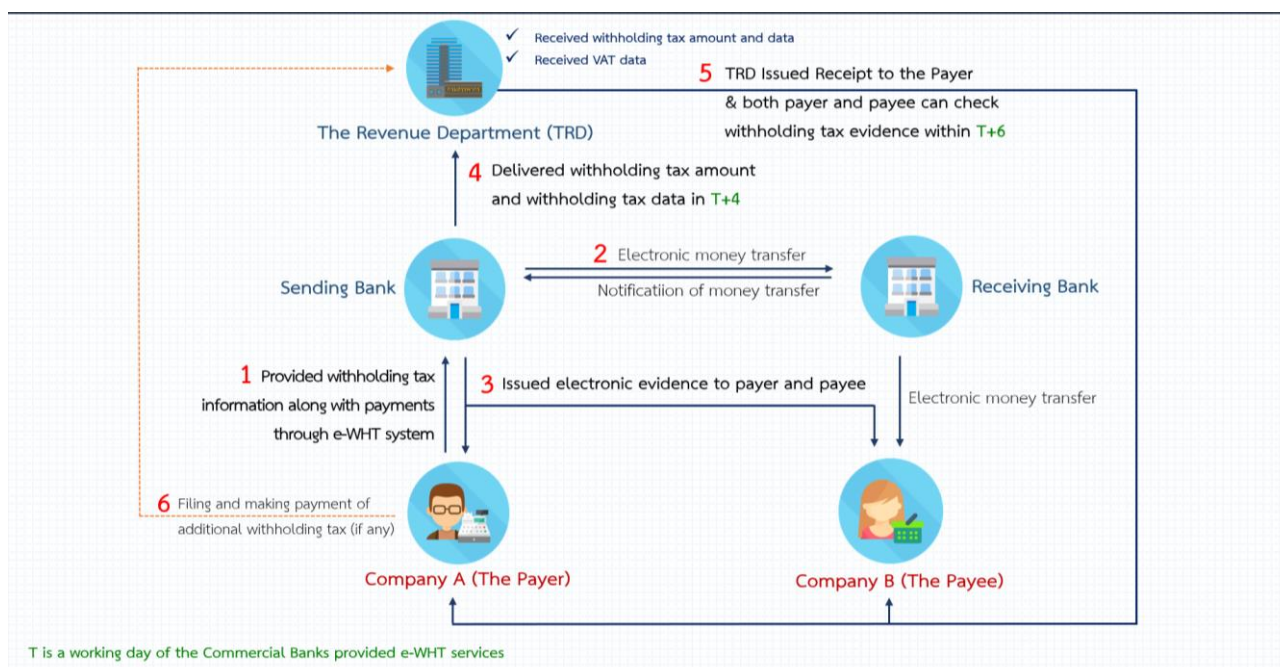
The system reduces steps in the process for all relevant parties employing the Revenue Department's D2RIVE strategy and new normal policy which every sector, business operator, and individual globally must comply with.



To use e-Withholding Tax, payer who makes payments through financial institutions' electronic payment systems can provide financial institutions with withholding tax information along with their payments. The financial institutions will then deliver the information and the withholding tax amount to the Revenue Department along with making the money transfer to the payee. The financial institutions are also required to issue electronic evidence to payer and payee.

As the withholding tax information is digitised, the payer does not have to prepare and submit a withholding tax form to the Revenue Department and does not have to issue a certificate of withholding tax (Section 50 Bis of the Revenue Code) to the payee. In the similar vein, the payee reduced costs by eliminating document delivery or storage needs, as well as reducing steps in processing various tax-related operations. Essentially, the system also allows the payer and payee to check withholding tax evidence with 24-hour electronic access through the Revenue Department's website: www.rd.go.th.

How the e-Withholding Tax System works




The e-Withholding Tax system manages withholding tax completely in one step and apparently provides greater ease, convenience, speed and safety, while reducing steps and costs for all those in the withholding tax process. As an electronic medium service that meets international standards of security, e-Withholding Tax is an alternative way to cover the withholding tax several steps and makes them shorter and more pleasant. Expense on messengers, printing and issuing documents according to Section 50 Bis and filing withholding tax returns are therefore avoided. The system also promotes transparency with its channel to check evidence at the Revenue Department website www.rd.go.th 24 hours without having to keep physical documents.

Typically, taxpayers who are responsible for filing withholding tax can opt for the Revenue Department's e-Filing system which filling withholding tax returns via internet is already easy. However, using the e-Withholding Tax system is easier. As part of the Revenue Department's attempt to encourage taxpayers to use the e-Withholding Tax system, the Revenue Department has reduced the withholding tax rate from 5% and 3% to 2% from October 1st, 2020 to December 31st, 2022. Additionally, the companies also receive a double tax deduction for capital expenditures and expenses related to the use of e-Withholding Tax system paid during the period from year 2020 to year 2022 and be more likely to be classified as good business operators.












The relevant laws on the mentioned tax benefits are the Ministerial Regulation No. 373, (B.E. 2564) issued under the Revenue Code governing Income Tax and the Royal Decree issued under the Revenue Code governing the exemption from revenue taxes (No. 718) B.E. 2564.

e-Withholding Tax is better

| The current system | The e-Withholding Tax system |
|--|---|
| <p>The person liable to withhold tax (the payer) must do all of the following:</p> <ol style="list-style-type: none"> Every time, the taxpayer must file a certificate of withholding tax (Section 50 Bis) and keep a copy of the document as evidence. Every month, the taxpayer must collect withholding tax information to file tax returns and submit tax amounts to the Revenue Department. Every year, the taxpayer must prepare an annual withholding tax summary and submit it to the Revenue Department. | <p>The person liable to withhold tax (the payer) provides financial institutions with withholding tax information along with the payments in one step</p>  |
| <p>The taxpayer from whom tax is withheld must:</p> <p>Keep all evidence of withholding tax certificates (Section 50 Bis) to file tax returns.</p> | |

The progress of e-Withholding Tax

Currently, there are 12 commercial banks that have been approved by the Revenue Department to be service providers of e-Withholding Tax. These financial institutions service systems have followed international standards of security for both domestic and cross-border electronic payment transactions. The services also cover the filing of additional withholding tax through e-Withholding Tax system. The new normal entrepreneurs can decide to use e-Withholding Tax service through a financial institution from the list announced at <https://epay.rd.go.th>

| หน่วยรับชำระภาษี | | การชำระเงินอิเล็กทรอนิกส์ ในประเทศ | | | | | การชำระเงินอิเล็กทรอนิกส์ ต่างประเทศ | | | | | การชำระภาษีเพิ่มเติม | | | | |
|---|---|---------------------------------------|-----|-----|-----|--------|---|-----|-----|-----|--------|----------------------|-----|-----|-----|-----|
| | | ATM | NET | MOB | COU | Others | ATM | NET | MOB | COU | Others | ATM | NET | MOB | COU | P2P |
|  | ธนาคาร กรุงไทย จำกัด (มหาชน) | - | ✓ | - | - | - | - | - | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ |
|  | ธนาคาร กสิกรไทย จำกัด (มหาชน) | - | - | - | - | ✓ | - | - | - | - | ✓ | - | ✓ | - | - | - |
|  | ธนาคาร เพื่อการเกษตรและ สหกรณ์การเกษตร | - | ✓ | - | - | - | - | - | - | - | - | - | - | - | - | - |
|  | ธนาคาร กรุงเก่า จำกัด (มหาชน) | - | ✓ | - | - | - | - | ✓ | - | - | - | - | - | - | ✓ | ✓ |
|  | ธนาคาร มิซูโฮ จำกัด สาขา กรุงเทพฯ | - | ✓ | - | ✓ | - | - | ✓ | - | ✓ | - | - | ✓ | - | - | - |
|  | ธนาคาร กรุงศรีอยุธยา จำกัด (มหาชน) | - | ✓ | - | - | - | - | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | - |
|  | ธนาคาร ไทยพาณิชย์ จำกัด (มหาชน) | - | ✓ | - | - | - | - | - | - | - | - | - | ✓ | ✓ | ✓ | ✓ |
|  | ธนาคาร ซุมิตโอมิ มิตร ชัย แบงกิ้ง คอร์ปอเรชั่น | - | ✓ | - | - | - | - | - | - | - | - | - | - | - | - | - |
|  | ธนาคาร สแตนดาร์ดชาร์เตอร์ด | - | ✓ | - | - | - | - | - | - | - | - | - | - | - | - | - |
|  | ธนาคารทหารไทยธนชาต จำกัด (มหาชน) | - | ✓ | - | - | - | - | - | - | - | - | ✓ | ✓ | ✓ | - | - |
|  | ธนาคาร ฮ้างกงและเซี่ยงไฮ้แบงกิง คอร์ปอเรชั่น จำกัด | - | ✓ | - | - | - | - | ✓ | - | - | - | - | - | - | - | - |
|  | ธนาคาร แลนด์ แอนด์ เฮาส์ จำกัด (มหาชน) | - | ✓ | - | - | - | - | - | - | - | - | - | - | - | - | - |