

## Topics June 2021

**The Revenue Department is extending period for the tax policy regarding human resources development and the tax policy that supports the foreign manufacturing base shifting, in order to drive economy when the COVID-19 situation has improved.**

On 25<sup>th</sup> May B.E.2564 (2021), the cabinet has approved the principle of extending period for the tax policy regarding human resources development in the industry 4.0 and the tax policy that supports the foreign manufacturing base shifting (Thailand Plus Package) to 31<sup>st</sup> December B.E.2565 (2022). This is to promote investment and development in the target industries, and to support the foreign manufacturing base shifting. Moreover, these policies aim to promote human resources development and highly-potential personnel hiring, in order to increase the competitiveness of the country and prepare for economy driving after the COVID-19 situation has improved, with the following details:

1. The tax policy regarding human resources development in the industry 4.0 specifies that companies and juristic partnerships can deduct of the expense for donation towards human resources development for Industry 4.0 promotion centers, established by public educational institutions, private higher educational institutions, or private schools, excluding the non-regulated schools for 3 times. Moreover, companies and juristic partnerships are exempted from Corporate Income Tax and Value Added Tax for the assets donated towards those centers, under the condition that the assets' cost must not be used as expense in the net profits calculation. Only the donations made between the 1<sup>st</sup> January B.E.2564 (2021) to 31<sup>st</sup> December B.E.2565 (2022) are applicable.

2. The tax policy that supports the foreign manufacturing base shifting (Thailand Plus Package) specifies that companies and juristic partnerships can deduct the expense spent between the 1<sup>st</sup> January B.E.2564 (2021) to 31<sup>st</sup> December B.E.2565 (2022), in the following manners:

- 2.1 The expense for investment in automatic systems for twice.
- 2.2 The expense for hiring highly-proficient personnel for 1.5 times.
- 2.3 The expense for improving human resources for 2.5 times.