Topics in July 2026

Extension of the Reduction of the Value Added Tax (VAT) Rate to 7 percent until 30th September 2027

On 27th July 2026, the Cabinet approved in principle the draft Royal Decree issued under the Revenue Code regarding the reduction of the value added tax (VAT) rate (No. ..), B.E. ...., which extends the period for reducing the VAT rate to 7 percent for an additional one year, from 1st October 2026 to 30th September 2027. The Revenue Department considers that this extension will help mitigate increases in the prices of goods and services and maintain domestic consumption levels amid uncertainties in the Middle East region, which may lead to higher transportation costs and increased prices of consumer goods. In addition, the extension is considered necessary to support the continued growth of the Thai economy. In this regard, once the draft Royal Decree has received the Royal Assent pursuant to Section 178 of the Constitution of the Kingdom of Thailand, it will subsequently be published in the Royal Gazette.