

## **Taxes and fee payable when you sell your land, house, or condominium in Thailand**

Ownership of land, house, or condominium unit is transferred by a written registration at the authorized Land Department Office in Thailand. The transaction is recorded on the title deed in the case of land and condominiums and other documents, in the case of a house. All supporting documents are kept in official records. In general, the current fee and taxes applicable to and payable upon the registration of ownership of all such immovable property are as follows:

### **(1) TRANSFER FEE**

The transfer fee not really a “tax”. It not collected under the Revenue Code of Thailand; rather it is an administrative *fee* pursuant to Thailand’s Land Code. It is payable upon transfer of immovable property at a rate of 2% of the Land Department’s appraised value of the property. The assessment of this value is made periodically by a Valuation Committee in accordance with the Land Code. Each land plot, house, and condominium unit in Thailand has such an official appraised value. However, the Land Office’s appraised value is usually much lower than any actual market value/sale price of such properties. Notably, the same valuation is also used as the basis for calculating the personal income tax payable upon transfer of immovable property.

### **(2) INCOME TAX (PAYABLE AS WITHHOLDING TAX)**

#### **(a) Company**

When a corporate entity sells an immovable property, a “withholding tax” at the rate 1% of the sale price is required to be “deducted” from the sale price and paid to the authorities on transfer. This is a prepayment of the corporate seller’s income tax for

that tax year, it will be credited to any tax owed for that year. However, both parties, the seller and any buyer jointly bear the legal duty to withhold and pay this tax. A surcharge on any late or inadequate payment of the withholding tax at a rate of 1.5% per month of the late paid amount is applicable.

### **(b) Individual**

When an individual sells an immovable property the withholding tax is generally calculated based on the appraised value of such property, in accordance with Section 49bis of the Revenue Code, less certain deductions. The deductions depend on the length of ownership of the property to be transferred. The calculation is done through a specific formula created by the legislature which takes into account how long the property has been owned and the progressive tax rates applicable to individuals, but (if the seller chooses so) without including any other taxable income of the seller.

Please note that even if the transfer of immovable property is without consideration (*i.e.* a “gift”) by an individual, it will be deemed a “sale” subject to personal income tax.

### **(3) STAMP DUTY OR SPECIFIC BUSINESS TAX + LOCAL DEVELOPMENT TAX**

#### **(a) Stamp Duty**

In general for individuals a Stamp Duty will apply if the property has not been transferred within the last five years. In such cases the Stamp Duty will be an amount equal to 0.5% of the Land Office appraised or the actual transaction value of the property (whichever is higher) and is payable by the seller upon transfer.

#### **(b) Specific Business Tax + Local Development Tax**

If a seller does not qualify for Stamp Duty, then Specific Business Tax + Local Development Tax will apply instead. The rate of the Specific Business Tax is 3%. A Local Development tax at a rate of 10% of the value of the Specific Business Tax amount is further payable. Therefore, Specific Business Tax + Local Development Tax is payable by the seller at a rate of 3.3% of the Land Office’s appraised or the actual transaction value of the property (whichever is higher).

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Finally, please also note that the above summarizes the government fee and taxes payable *upon the day of transfer* of an immovable property in Thailand. It does *not* include any other tax liability incurred as the result of such transfer.

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