



Tax News Flash

KPMG in Thailand



Issue 102 : June 2021

Tax Measures to Support Human Resource Development for Industry 4.0 and the Relocation of Production Bases (Thailand Plus Package)

On 25 May 2021, the Cabinet approved the principles of four draft Royal Decrees issued under the Revenue Code regarding tax measures to support human resource development for Industry 4.0, and to extend tax benefits provided for the 'Thailand Plus Package', which encourages foreign investors to relocate production bases to Thailand and increases Thailand's competitiveness. For companies or juristic partnerships, these tax measures will provide relevant tax exemptions and additional tax deductions on certain expenses incurred from 1 January 2021 to 31 December 2022.

A summary of each measure is set out below.

- **Tax measure to support human resource development for Industry 4.0**, which allows an additional deduction of 200% of expenses incurred through the donation of machines, parts or equipment and computer software used for an Industry 4.0 automatic system. The said donations must be made to a Human Resource Development for Industry 4.0 Promotion Center founded by a government educational institution, private university, or private school, excluding non-formal school, from 1 January 2021 to 31 December 2022. Exemptions of value added tax and corporate income tax are also provided for these donations where the cost of donated assets is not required to be included as a deductible expense for the calculation of taxable profits.
- **Tax measure to promote investment in automated systems**, which allows an additional deduction of 100% of expenses incurred through investments in automatic machines and software used for the automated systems investment project. This additional deduction does not include expenses incurred from the repair of such machines.
- **Tax measure to encourage the employment of highly skilled personnel**, which allows an additional deduction of 50% of expenses incurred from the payment of salaries, not exceeding a maximum salary of THB 100,000, paid to highly skilled employees in the areas of science, technology, engineering and mathematics who are under employment between 1 January 2021 to 31 December 2022.
- **Tax measure to encourage employee development**, which allows an additional deduction of 150% of expenses incurred from sending employees on training courses certified by specified authorities.

The Royal Decrees and supplementary regulations associated with these measures are expected to be announced soon.

Key Contacts

[Abhisit Pinmaneekul](#)

Head of Tax
KPMG in Thailand

Global Compliance Management Services (GCMS)

[Nipawan Passarapark](#)

Partner

[Pornpen Eurpiyachat](#)

Partner

[Visuth Apiraks](#)

Director

[Matthew Evan Jeamjit](#)

Director

[Waraporn Dhammasawangki](#)

Director

Global Mobility Services (GMS)

[Lynn Tastan](#)

Partner

[Panisa Srihera](#)

Director

International Tax / M&A Services

[Auaychai Sukawong](#)

Partner

[John Andes](#)

Partner

[Tatiana Besselova](#)

Partner

[Tomonori Shibata](#)

Partner

[Thanita Pubordeepong](#)

Director

Transfer Pricing Services

[Abhisit Pinmaneekul](#)

Partner

[Benjamas Kullakattimas](#)

Partner

[Burin Yenthanakorn](#)

Director

[Chollatip Santitorn](#)

Director

Trade & Customs Services

[Malika Bhumivarn](#)

Partner

[Sophon Dulyarassamee](#)

Associate Director

home.kpmg/th



[Privacy](#) | [Legal](#)

You have received this email from KPMG Phoomchai Tax Ltd. If you wish to unsubscribe from our mailing list, please click here to [unsubscribe](#).

© 2021 KPMG Phoomchai Tax Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Bringing the future into focus

home.kpmg/th