



# Specific Business Tax

Specific Business Tax (SBT) is another kind of indirect tax introduced in 1992 to replace Business Tax. Certain businesses that are excluded from VAT will instead be subject to SBT.

## 1. Person liable to SBT

Any person or entity who engages in certain businesses in Thailand is subject to SBT instead of VAT. Businesses that are subject to SBT include:

- (1) banking under the law governing commercial banking or any other specific law
- (2) business of finance, securities and credit foncier under the law governing operation of the business of finance, securities and credit foncier
- (3) life insurance under the law governing life insurance
- (4) pawn broking under the law governing pawnshops
- (5) business with regular transactions similar to commercial banks, such as provision of loans, provision of guarantees, exchange of currencies, issuance, purchase or sale of bills or transfer of money abroad by different means;
- (6) sale of an immovable property in a commercial or profitable manner, irrespective of the manner in which such property is acquired, only in accordance with the rules, procedures and conditions prescribed by a royal decree
- (7) sale of securities in a securities market under the law governing securities exchange of Thailand
- (8) any other business as prescribed by a royal decree.

## 2. Exemptions

Activities of certain entities are exempted from SBT such as:

- (1) business of the Bank of Thailand, the Government Savings Bank, the Government Housing Bank, and the Bank for Agriculture and Agricultural Cooperatives
- (2) business of the Industrial Financial Corporation of Thailand
- (3) business of a savings cooperative, only in respect of loans provided to its members or to another savings cooperative
- (4) business of a provident fund under the law governing provident funds

(5) business of the National Housing Authority, only in respect of sale or hire-purchase of an immovable property

(6) pawn broking business of a ministry, sub-ministry, department and a local government authority

(7) any other business under section 91/2 as prescribed by a royal decree

### 3. Tax Base and Tax Rates

The tax base for a business in accordance with the provisions of this Chapter shall be the following gross receipts received or receivable from the business carried on by a person liable to tax

<b>Business</b>	<b>Tax Base</b>	<b>Tax Rate (%)</b>
1. Banking, Finance and similar business	Interest, discounts, service fees, other fees, profits from foreign exchange	3.0
2. business of finance, securities and credit foncier	Interest, discounts, service fees, other fees, profits from foreign exchange	3.0
3. Life Insurance	Interest, service fees and other fees	2.5
4. Pawn Brokerage	Interest, fees, remuneration from selling overdue property	2.5
5. business with regular transactions similar to commercial banks	Interest, discounts, service fees, other fees, profits from foreign exchange	3.0
6. Real estate	Gross receipts	0.1
7. sale of securities in a securities market	Gross receipts	0.1 (exempted)

**Remark :** Local tax at the rate of 10 % is imposed on top of SBT.

## 4. SBT Registration

Any entity or person who is subject to SBT must register to be SBT registered person or entity (Form ภ.บ. 01) within 30 days of its first day of operation at the Area Revenue Office if it is situated in Bangkok or at District Revenue Office if it is situated elsewhere. Should taxpayer have several branches or offices, registration application must be submitted to Area or District Revenue Office where the headquarter is situated.

In the case of an operator who is a foreign resident, a person who is an agent of such operator shall be responsible in undertaking specific business tax registration for the operator who is a foreign resident.

## 5. File a Tax Return and Payment

SBT taxable period is a calendar month. SBT return (Form ภ.บ. 40) must be filed on a monthly basis regardless whether or not the business has income. SBT return and payment must be submitted to the District Revenue Office within 15 days of the following month. If taxpayer has more than one place of business, each place of business must file its return and make the payment separately unless there is an approval from the Director-General.