

## Tax Break Article November 2008



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### **Favourable Changes to Allow Faster Tax Write Off of Fixed Assets**

Effective from 7 August 2008, depreciation on computer software may be claimed as a tax deduction over 3 accounting periods. Smaller to medium sized companies (with fixed assets of not more than Baht 200m and that employ no more than 200 employees) will even be entitled to a faster write-off including an upfront deduction of 40% and the balance written off over 3 accounting periods commencing from the date of acquisition.

Royal Decree No.473 also allows a 100% write-off of lower cost assets up to a total of Baht 500,000 (excluding buildings and intangibles) for these small to medium sized entities where such assets are acquired and available for use between 7 August 2008 and 31 December 2010.

A further incentive under this Royal Decree will also be available for all companies that purchase plant and machinery between 7 August 2008 and 31 December 2010 (and that is installed ready for use in the business). A special upfront depreciation deduction of 40% of the cost of the asset will be allowed in the year of purchase with the remaining 60% to be written off over a 5 year period from the date of acquisition.

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