

Tax Break Article November 2008



November 2008

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.

Mazars Double Impact Limited

12th Floor, Empire Tower, 195 South Sathorn Road, Bangkok 10120

Tel: (662) 6701100, Email: info@mazars.co.th, <http://www.mazars.co.th>

Contact: Bruce Darrington Managing Director, bruce.darrington@mazars.co.th

Rob Hurenkamp, Deputy Managing Director, rob.hurenkamp@mazars.co.th

Damian Norris Director of International Tax, damian.norris@mazars.co.th

Chatchawat Kriengsuntikul Director of Legal Practice, chatchawat.kriengsuntikul@mazars.co.th