
Ministry Postpones Land & Building Tax

Still, "an ounce of prevention is worth a pound of cure."

December 2019

The Ministry of Interior has extended its property assessment period from November 2019 to March of next year. The authority has also postponed collection under its land and building tax law from April to August of next year. This is, according to its Ministerial Order No. 0808.3/w7475, dated December 11 of this year.

The four-month postponement of collections should enable government to clarify issues, such as tax categories, and tax reductions for schools and real-estate investors. The postponement also gives taxpayers four more months to fix any errors found in the District Office's value assessment.

Some District Offices over recent months have already issued property evaluation lists to taxpayers. However, taxpayers must still verify the accuracy of the assessment within the required period, despite the tax being postponed. If the taxpayer does not respond within the given date, the District Office will use its assessed information, regardless of inaccuracies, as the tax base going forward.

DRKI's Comments

Taxpayers who have already received the property evaluation list from their District Office and have found inaccurate assessments should immediately notify the authority. Taxpayers may request a reasonable grace period (less than four months) to submit the correct information. The taxpayer should also provide other essential data perhaps unavailable to their District Office, but which could affect tax rates, e.g. age, type and correct number of floors of buildings; and the purpose of use of the land or buildings.

These taxpayers should also reconcile the information provided in the property evaluation list with that previously used by their District Office to calculate property tax under the previous law. The District Officer may suspect wrongdoing where there are significant differences between new and old tax bases

Taxpayers who have yet to receive their property evaluation list should prepare for the verification process, expected by March of next year. Typically, the taxpayer will conduct their own assessment to help ensure the accuracy of land and building values assessed by their District Office. The taxpayer should then state their objections to the authority within required timeframes.

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