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Government Revenue

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Thailand's Government Revenue

- Thailand's Government Revenue

- Analysis of the Thai Government Structure

Thailand's Government Revenue

- Direct and Indirect Taxes
- State-led Commerce: Government involvement in State-Owned Enterprises (SOEs)
- Sales of Goods and Services & other revenue

Domestic Borrowing

Borrowing from the Bank of Thailand (BOT)

Government Bond Issuance

External Borrowing

Income in the past

Income

- In Fiscal Year 2004, the government projected total revenue collection of 1,067,660 million Baht.
- Allocation of Value Added Tax (VAT) to Provincial Administrative Organizations (PAOs) totaling 4,470 million Baht.

Income

- Tax rebates/refunds set aside for exported goods amounting to 9,570 million Baht.
- Allocation of VAT to Local Administrative Organizations (LAOs) in accordance with the Decentralization Act, totaling 38,120 million Baht.

Income

- The government's net revenue used for expenditure budgeting was 928,100 million Baht.

Tax Classification

1. **Tax revenue accounts for 94.5% of total estimated revenue, categorized into direct and indirect taxes:**

Direct Taxes: 329,073.3 million Baht

- Personal Income Tax: 118,000 Million Baht
- Corporate Income Tax: 195,550 Million Baht
- Petroleum Income Tax: 15,500 Million Baht

Indirect Tax: 643,023.3 Million Baht

- General Sales Tax: 278,800 Million Baht
- Value Added Tax (VAT): 258,580 Million Baht
- Stamp Duty: 4,920 Million Baht
- Specific Sales Tax: 252,390.1 Million Baht

Tax Classification

Indirect Tax: 643,023.3 Million Baht

- Specific Sales Tax
- Petroleum and Petroleum Product Tax: 70,100 Million Baht
- Excise Tax on Imports: 23,130 Million Baht
- Mineral Royalties: 469.4 Million Baht

Tax

- Petroleum Royalties: 15,596 Million Baht
- Other Natural Resource Taxes: 9.7 Million Baht
- Import and Export Duties (Customs Duties): 110,300.0 Million Baht
- Licensing and Permit Fees: 1,533.2 Million Baht

Tax Classification

2) Sales of Goods and Services: 15,462.2 Million Baht (or 1.5% of the total estimated revenue)
2.1) Sales of Securities and Assets: 2,150.0 Million Baht
Excise Tax on Imports: 23,130 Million Baht
2.2) Sales of Services: 13,312.2 Million Baht (consisting of service fees and rent)
Mineral Royalties: 469.4 Million Baht

2.3) Revenue from State-Owned Enterprises (SOEs): 46,100 Million Baht
Profits from government organizations
State-owned business units
Revenue from the Tobacco Authority of Thailand
Revenue from the Government Lottery Office (GLO)
Dividends from government-held companies

Tax Classification

4) Other Revenue: 34,024.5 Million Baht (representing 3.3% of the total estimated revenue)

- Stamp Duties, Fees, and Fines
- Refunds and Recoveries
- Miscellaneous Revenue

The Structure of Thai Government Revenue

According to Krirkkiat Phipatseritham, the historical revenue structure of the Thai government (1961–1990) highlights several critical points:

- **Dominance of Indirect Taxation**
- **Volatility in Customs Duties**
- **Structural Impact of VAT**
- **Citizen Tax Burden**

The Structure of Thai Government Revenue

- The Tax Burden on the Population the overall tax burden on the population is considered relatively low.
- Comparing government tax revenue to National Income (GDP), the ratio increased from 13.6% in 1961 to 18.4% in 1989.
- The average tax burden between 1961–1989, only minor changes were observed.

This aligns with the average threshold for middle-income countries.

The majority of the tax burden stems from consumption-based taxes, specifically Business Tax, Excise Tax, and Customs Duties.

The bulk of the tax burden falls upon the general public.

Historical Structure of Thai Government Revenue

- The proportion of government revenue relative to National Income (GDP) has increased as follows:
  - 1961–1970: Represented 13.6%
  - 1977–1981: Represented 14.0%
  - 1989: Represented 18.4%
- The tax system relies more heavily on indirect taxation.
- The tax administration lacks efficiency (Ineffective).

Analysis of the Thai Government Revenue Structure

- An analysis of the Thai government's revenue structure since the 1995 Fiscal Year reveals the following trends

- During the Fiscal Years 1995–1997, tax revenue collection saw a significant increase.
- Tax revenue declined in 1998 due to the impact of the 1997 Asian Financial Crisis (Tom Yum Kung Crisis).

- The trend for tax collection has been on an upward trajectory since the 1999 Fiscal Year.

Revenue of Thailand in the present

Category	English Description	Approximate Value (THB)
Gross Domestic Product (GDP)	The total economic value produced by the entire country.	**19.0 - 19.5 Trillion Baht**
National Net Revenue	The total revenue collected by the government (Taxes/SOEs).	**2.8 - 2.9 Trillion Baht**
GDP per Capita	The average annual income per person.	**270,000 - 290,000 Baht**
Total Export Value	Income generated from selling goods abroad.	**10.5 - 11.0 Trillion Baht**

Total Economic Output (GDP):

- Thailand's Gross Domestic Product is estimated to be approximately **19.3 trillion Baht**.

Total Economic Output (GDP):

- This represents the total value of all goods and services produced within the country's borders.
- **Government Budget & Revenue:** For the current fiscal year, the Thai government targets a net revenue collection of roughly **2.88 trillion Baht**.

Revenues

- Most of this income comes from the Revenue Department (VAT and Income Taxes).
- **Average Income (GDP per Capita):** On average, the income per person in Thailand is approximately **285,000 Baht per year**, which categorizes Thailand as an upper-middle-income nation.

Major Income Sources:

- **Exports:** Contribute over **10 trillion Baht**, led by electronics, automotive parts, and agricultural products.
- **Tourism:** Expected to contribute over **2 trillion Baht**

Do you have any questions?
Thank you

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