

EE 442
Economics of Public Revenue

Topic 4
Thailand Revenue Structure

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Government Revenue Structure: Fiscal Year 1988-2018

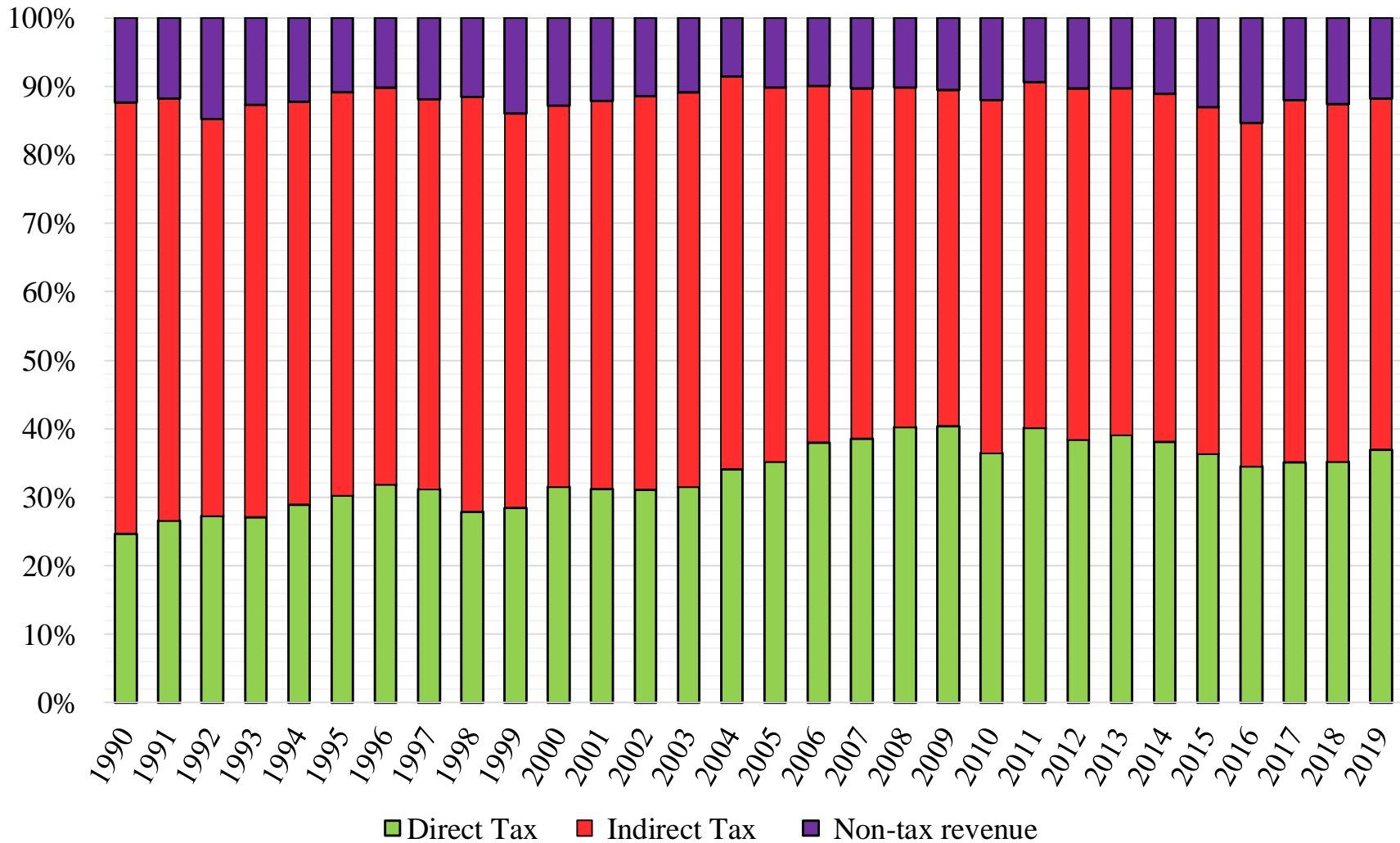
- Most of government revenue comes from taxation (around 90% of total revenue).
- Non-tax revenue is around 10% of total revenue.

Government Revenue Structure: Fiscal Year 1988-2019

Taxes can be classified into 2 categories:

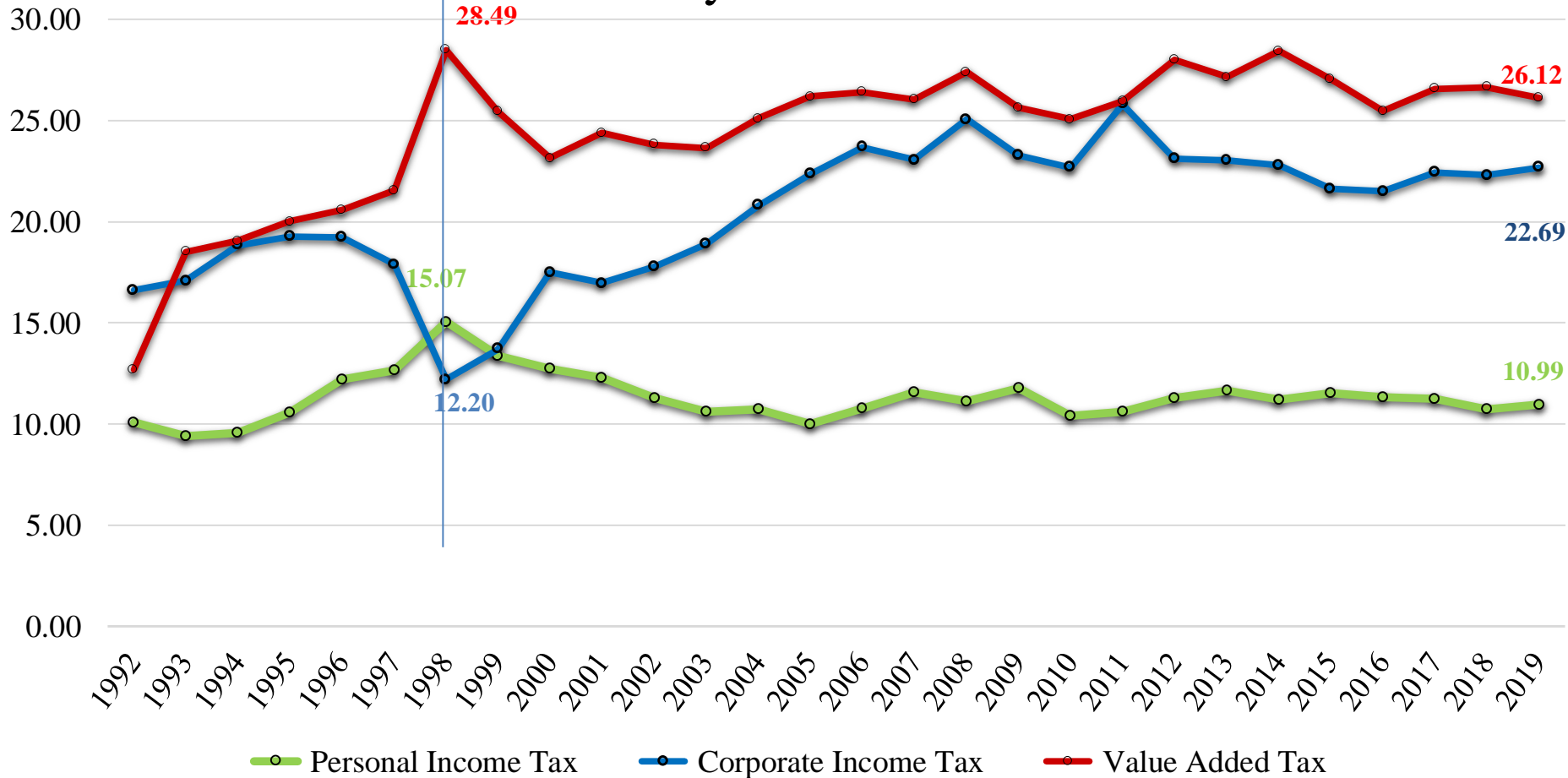
- Direct Taxes which are collected from income or property bases.
- Indirect Taxes which are collected from consumption base (purchasing of goods and services). The producers can shift the tax burden to consumers.

The proportion of direct tax, indirect tax and non-tax revenues to total revenue: fiscal year 1988-2019



Source: Fiscal Policy Office

The proportion of personal income tax, corporate income tax and value added tax to total tax revenues: fiscal year 1992-2019



Source: Fiscal Policy Office

Direct Taxes

4 Types of direct taxes:

1. *Personal Income Tax (PIT)* is a direct tax levied on income of a person. A person means an individual, an ordinary partnership, a non-juristic body of person and an undivided estate.

In general, a person liable to PIT has to compute his tax liability, file tax return and pay tax, if any, accordingly on a calendar year basis.

Personal income tax rate: fiscal year 1986-2004

Unit: Baht

1986		1989		1992		2004	
Net income bracket	Tax rate (%)	Net income bracket	Tax rate (%)	Net income bracket	Tax rate (%)	Net income bracket	Tax rate (%)
0-40,000	7	0-50,000	5	0-100,000	5	0-100,000	Exemption
40,001-90,000	10	50,001-200,000	10	100,001-500,000	10	100,001-500,000	10
90,001-150,000	15	200,001-500,000	20	500,001-1,000,000	20	500,001-1,000,000	20
150,001-220,000	20	500,001-1,000,000	30	1,000,001-4,000,000	30	1,000,001-4,000,000	30
220,001-300,000	25	1,00,001-2,000,000	40	Over 4,000,000	37	Over 4,000,000	37
300,001-400,000	30	Over 2,000,000	55				
400,001-550,000	35						
550,001-750,000	40						
750,001-1,000,000	45						
1,000,001-2,000,000	50						
Over 2,000,000	55						

Source: Revenue Code, Revised 1994 and the Revenue Department

Personal income tax rate: fiscal year 2008-2012

Unit: Baht

Net income bracket	Range of net income	Tax rate (%)	The amount of tax in each bracket	Accumulated amount of tax
0-150,000	150,000	Exemption	-	-
150,001-500,000	350,000	10%	35,000	35,500
500,001-1,000,000	500,000	20%	100,000	135,000
1,000,001-4,000,000	3,000,000	30%	900,000	1,035,000
Over 4,000,000		37%		

Source: The Revenue Department

Personal income tax rate: fiscal year 2013-2016

Unit: Baht

Net income bracket	Range of net income	Tax rate (%)	The amount of tax in each bracket	Accumulated amount of tax
0-150,000	150,000	Exemption	-	-
150,001-300,000	150,000	5%	7,500	7,500
300,001-500,000	200,000	10%	20,000	27,500
500,001-750,000	250,000	15%	37,500	65,000
750,001-1,000,000	500,000	20%	50,000	115,000
1,000,001-2,000,000	1,000,000	25%	250,000	365,000
2,000,001-4,000,000	2,000,000	30%	600,000	965,000
Over 4,000,000		35%		

Source: The Revenue Department

Personal income tax rate: fiscal year 2017(new)

Unit: Baht

Net income bracket	Range of net income	Tax rate (%)	The amount of tax in each bracket	Accumulated amount of tax
0-150,000	150,000	Exemption	-	-
150,001-300,000	150,000	5%	7,500	7,500
300,001-500,000	200,000	10%	20,000	27,500
500,001-750,000	250,000	15%	37,500	65,000
500,001-1,000,000	500,000	20%	100,000	165,000
1,000,001-2,000,000	1,000,000	25%	250,000	415,000
2,000,001-5,000,000	3,000,000	30%	900,000	1,315,000
Over 5,000,000		35%		

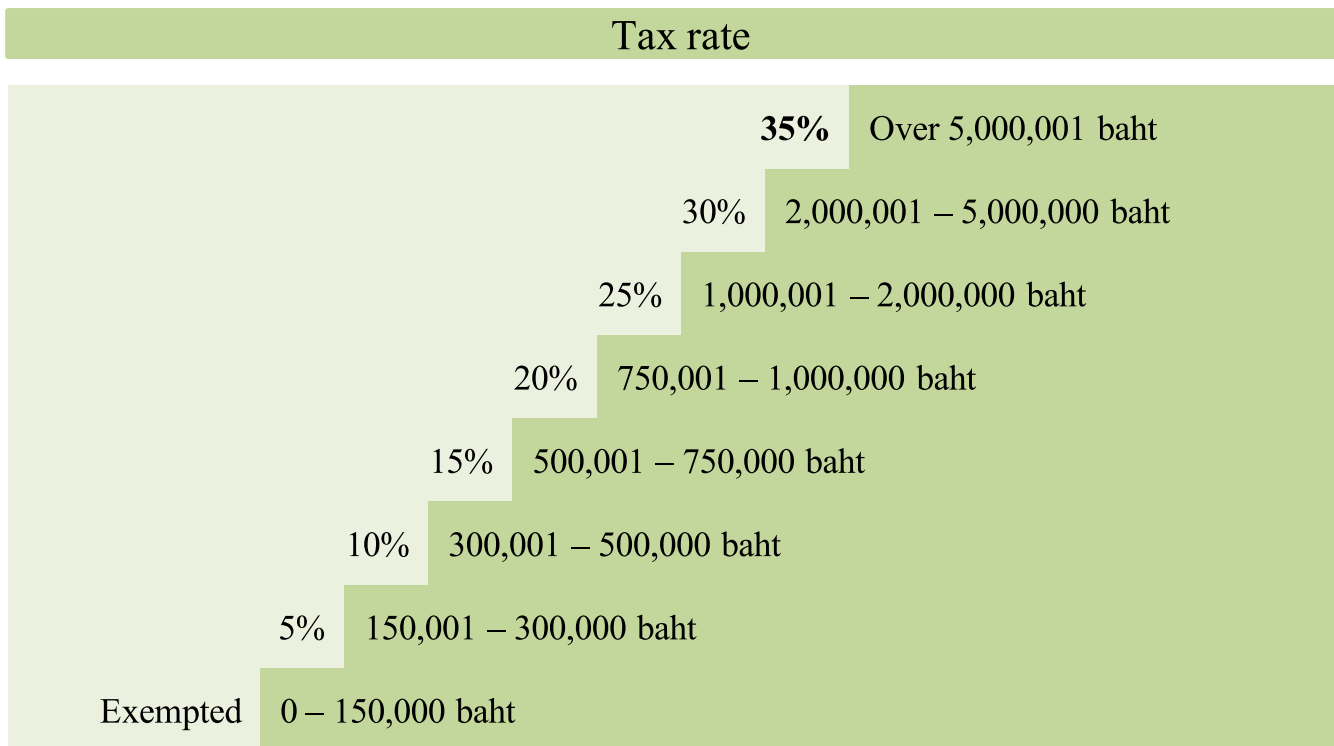
Source: The Revenue Department

Personal income tax: fiscal year 2017

Taxpayer's minimum threshold requirement for filing tax						
	Single			Marriage		
Only salary or wage	New	100,000	baht	New	200,000	baht
	Old	50,000	baht	Old	100,000	baht
Salary, wage and/or other income	New	60,000	baht	New	120,000	baht
	Old	30,000	baht	Old	60,000	baht
Personal income tax deduction						
Salary, wage and commission	New	50%	not more than	100,000	baht	
	Old	40%	not more than	50,000	baht	
Copyright, patent and other license fees	New	50%	not more than	100,000	baht	
	Old	40%	not more than	50,000	baht	or depend on needed or deserved
Personal income tax allowance						
	Personal allowance	Spouse		Children		
New	60,000 baht	60,000 baht		30,000 baht, 2 nd child 60,000 baht (unlimited number of children and cancel the allowance for child studying in educational institution in Thailand 2,000 baht per child)		
Old	30,000 baht	30,000 baht		15,000 baht (maximum for 3 children)		

Source: The revenue department

Personal income tax: fiscal year 2017



Source: The revenue department

Personal income tax: fiscal year 2006

Net income bracket (baht)	Number of tax payers		Percentage of tax payment
	(million)	(%)	
< 100,000	1.656	29%	0%
100,001 - 500,000	3.528	62%	13%
500,001 – 1,000,000	0.375	7%	21%
1,000,000 – 4,000,000	0.153	3%	40%
Over 4,000,000	0.011	0.2%	25%
Total	5.723	100%	100%

- **Personal income tax can be collected as a little amount because**
- Two-thirds of PIT is from the rich (Net income is over 1 million baht) but that rich can be counted as only 3% of taxpayers.

Personal income tax: fiscal year 2012

Net income bracket (baht)	Tax payers		The amount of tax (million baht)
	Number	Percentage	
< 150,000	6,539,501	66.80	0
150,001 - 300,000	1,630,504	16.65	
300,001 – 500,000	829,591	8.47	
500,001 – 750,000	430,323	4.40	
700,001 – 1,000,000	150,557	1.54	
1,000,001 – 2,000,000	146,117	1.49	
2,000,001 – 4,000,000	38,794	0.40	
Over 4,000,000	24,709	0.25	69,414 (35.08%)
Total	9,790,096	100.00	197,881

Source: Thaipublica

Personal income taxpayers in each tax bracket: tax year 2012 and 2014

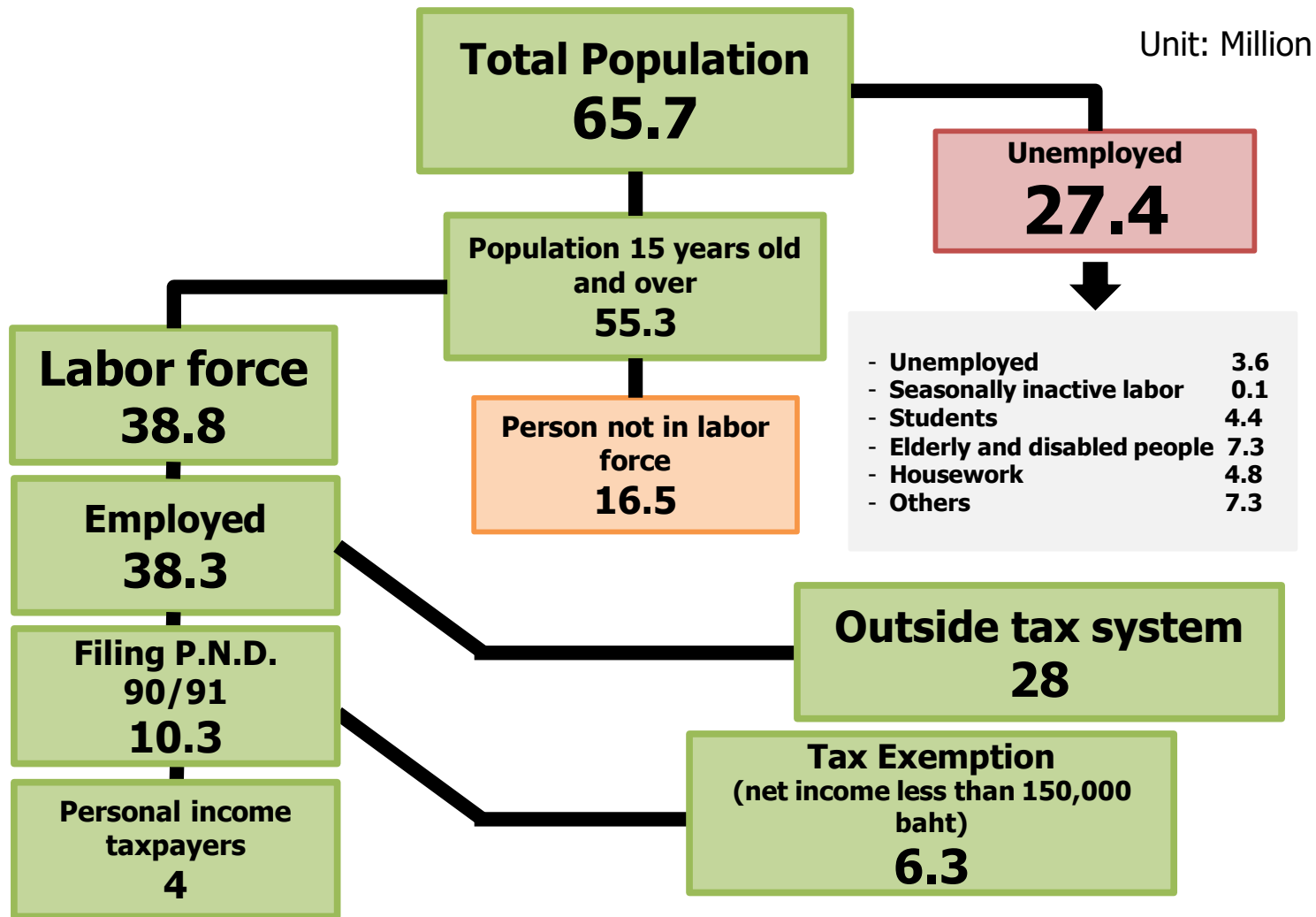
Net income bracket (Bath)	Tax rate (%)	Number of taxpayers (Million)		Difference between tax year 2014 and 2012	
		tax year 2012*	tax year 2014**	Number of taxpayers (Million)	Percentage change (%)
0 – 150,000	Exempted	6.54	6.30	-0.24	-3.66
150,001 – 300,000	5	1.66	2.00	0.34	20.26
300,001 – 500,000	10	0.83	0.98	0.15	18.13
500,001 – 750,000	15	0.43	0.50	0.07	16.19
750,001 – 1,000,000	20	0.15	0.20	0.05	32.84
1,000,001 – 2,000,000	25	0.15	0.20	0.05	36.88
2,000,001 – 4,000,000	30	0.04	0.05	0.01	28.89
Over 4,000,001	35	0.02	0.03	0.01	21.41
Total		9.82	10.26	0.44	4.45

Note: * tax year 2012, filing P.N.D.90/91 between Jan 1 to Apr 1, 2013

** tax year 2014, filing P.N.D.90/91 between Jan 1 to Apr 1, 2015

Source: Thaipublica

Personal income taxpayers: fiscal year 2014



Source: Thaipublica

Withholding tax

Types of income (baht)	Withholding tax rate (baht)
1. Employment income	5 - 35 %
2. Rents and prizes	5 %
3. Ship rental charges	1 %
4. Service and professional fees	3 %
5. Public entertainer remuneration - Thai resident - non resident	5 % 5 - 35 %
6. Advertising fees	2 %

Deductions and Allowances

$$\text{TAXABLE INCOME} = \text{Assessable income} - \text{Deductions} - \text{Allowances}$$

Assessable Income

Assessable income is divided into 8 categories as follows :

1. income from personal services rendered to employers;
2. income by virtue of jobs, positions or services rendered;
3. income from goodwill, copyright, franchise, other rights, annuity or income in the nature of yearly payments derived from a will or any other juristic Act or judgment of the Court;
4. income in the nature of dividends, interest on deposits with banks in Thailand, shares of profits or other benefits from a juristic company, juristic partnership, or mutual fund, payments received as a result of the reduction of capital, a bonus, an increased capital holdings, gains from amalgamation, acquisition or dissolution of juristic companies or partnerships, and gains from transferring of shares or partnership holdings;
5. income from renting property and from breaches of contracts, installment sales or hire-purchase contracts;
6. income from liberal professions;
7. income from construction and other contracts of work;
8. income from business, commerce, agriculture, industry, transport or any other activity not specified earlier.

Direct Taxes

2. *Corporate Income Tax* (CIT) is a direct tax levied on a juristic company or partnership carrying on business in Thailand or not carrying on business in Thailand but deriving certain types of income from Thailand.

Taxable person

1.1 A company or a juristic partnership incorporated under Thai law.

- (1) Limited company
- (2) public company limited
- (3) limited partnership
- (4) registered partnership

1.2 A company or a juristic partnership incorporated under foreign law

1.2.1 A company or juristic partnership incorporated under foreign laws and carrying on business in Thailand.

1.2.2 A company or juristic partnership incorporated under foreign laws and carrying on business in other places including Thailand.

1.2.3 A company or juristic partnership incorporated under foreign laws and carrying on business in other places including Thailand , in case of carriage of goods or carriage of passengers

1.2.4 A company or juristic partnership incorporated under foreign laws which has an employee, an agent or a go-between for carrying on business in Thailand and as a result receives income or profits in Thailand.

1.2.5 A company or juristic partnership incorporated under foreign laws and not carrying on business in Thailand but receiving assessable income under Section 40 (2)(3)(4)(5) or (6) which is paid from or in Thailand.

1.3 A business operating in a commercial or profitable manner by a foreign government, organization of a foreign government or any other juristic person established under a foreign law.

1.4 Joint venture

1.5 A foundation or association carrying on revenue generating business, but does not include the foundation or association as prescribed by the Minister in accordance with Section 47 (7) (b) under Revenue Code

Tax rates

The corporate income tax rate in Thailand is 20 % on net profit (accounting periods 2015) . However, the rates vary depending on types of taxpayers.

Corporate Income Tax Rate

Year	Net income bracket	
1951-1958	0-500,000 baht	10%
1959-1971	500,001-1,000,000 baht	15%
1972-1976	Over 1,000,001 baht	20%
1977-1979	0-500,000 baht	15%
1980	500,001-1,000,000 baht	20%
1981-1985	Over 1,000,001 baht	25%
1986-1991	0-500,000 baht	20%
1992-2011	500,001-1,000,000 baht	25%
	Over 1,000,001 baht	30%
	30% for registered corporations and 35% for others	
	35% for registered corporations and 45 % for others	
	30% for registered corporations and 40 % for others	
	30% for registered corporations and 35 % for others	
	30% for general corporations	

Corporate Income Tax Rate

Year	Types of Corporation/Net income bracket	Tax rate
2012	1. General corporations	23%
	2. Corporations who register not more than 5 million baht and have income from selling goods and services not more than 30 million baht	Exemption
	- Net income 0-150,000 baht	15%
	- Net income 150,001-1,000,000 baht	23%
2013-2014	- Net income 1,000,001 baht and more	
	1. General corporations	20%
	2. Corporations who register not more than 5 million baht and have income from selling goods and services not more than 30 million baht	Exemption
	- Net income 0-300,000 baht	15%
	- Net income 300,001-1,000,000 baht	20%
	- Net income 1,000,001 baht and more	

Corporate Income Tax Rate

Year	Types of Corporation/Net income bracket	Tax rate
2015-2016	1. General corporations	20%
	2. Corporations who register not more than 5 million baht and have income from selling goods and services not more than 30 million baht	Exemption
	- Net income 0-300,000 baht - Net income 300,001 baht and more	10%
2017	1. General corporations	20%
	2. Corporations who register not more than 5 million baht and have income from selling goods and services not more than 30 million baht	Exemption
	- Net income 0 - 300,000 baht	15%
	- Net income 300,001 – 3,000,000 baht - Net income 3,000,001 baht and more	20%

Taxpayer	Tax Base	Rate (%)
1. Small company¹	- Net profit from 300,000 not exceeding 1 millions baht	15%
	- Net profit over 1 millions baht	20% (accounting periods 2015)
2. Companies listed in Stock Exchange of Thailand (SET)	Net profit	20% (accounting periods 2015)
3. Companies newly listed in Stock Exchange of Thailand (SET)	Net Profit	20% (accounting periods 2015)
4. Company newly listed in Market for Alternative Investment (MAI)	Net Profit	20% (accounting periods 2015)
5. Bank deriving profits from International Banking Facilities (IBF)	Net Profit	10%
6. Foreign company engaging in international transportation	Gross receipts	3%
7. Foreign company not carrying on business in Thailand receiving dividends from Thailand	Gross receipts	10%
8.. Foreign company not carrying on business in Thailand receiving other types of income apart from dividend from Thailand	Gross receipts	15%
9. Foreign company disposing profit out of Thailand.	Amount disposed.	10%
10. Profitable association and foundation.	Gross receipts	2% or 10%

Note: 1. A small company refers to any company with paid-up capital less than 5 million baht at the end of each accounting period.

Source: The revenue department

Direct Taxes

3. *Petroleum Income Tax (PT)* is a direct tax, levied annually (for each accounting period of 12 months duration) on net profit of a “petroleum taxpayer”, who is carrying out the business of petroleum exploration and production. It is also levied on the disposal of profits outside of Thailand. The rules and regulations for Petroleum Income Tax are covered under Petroleum Income Tax Act and other related law. The rates, penalties, surcharge, etc. are different from that of Corporate Income tax.

Tax rates

Tax rate is linked to the status of taxpayer. At present, the tax rates are as follows:

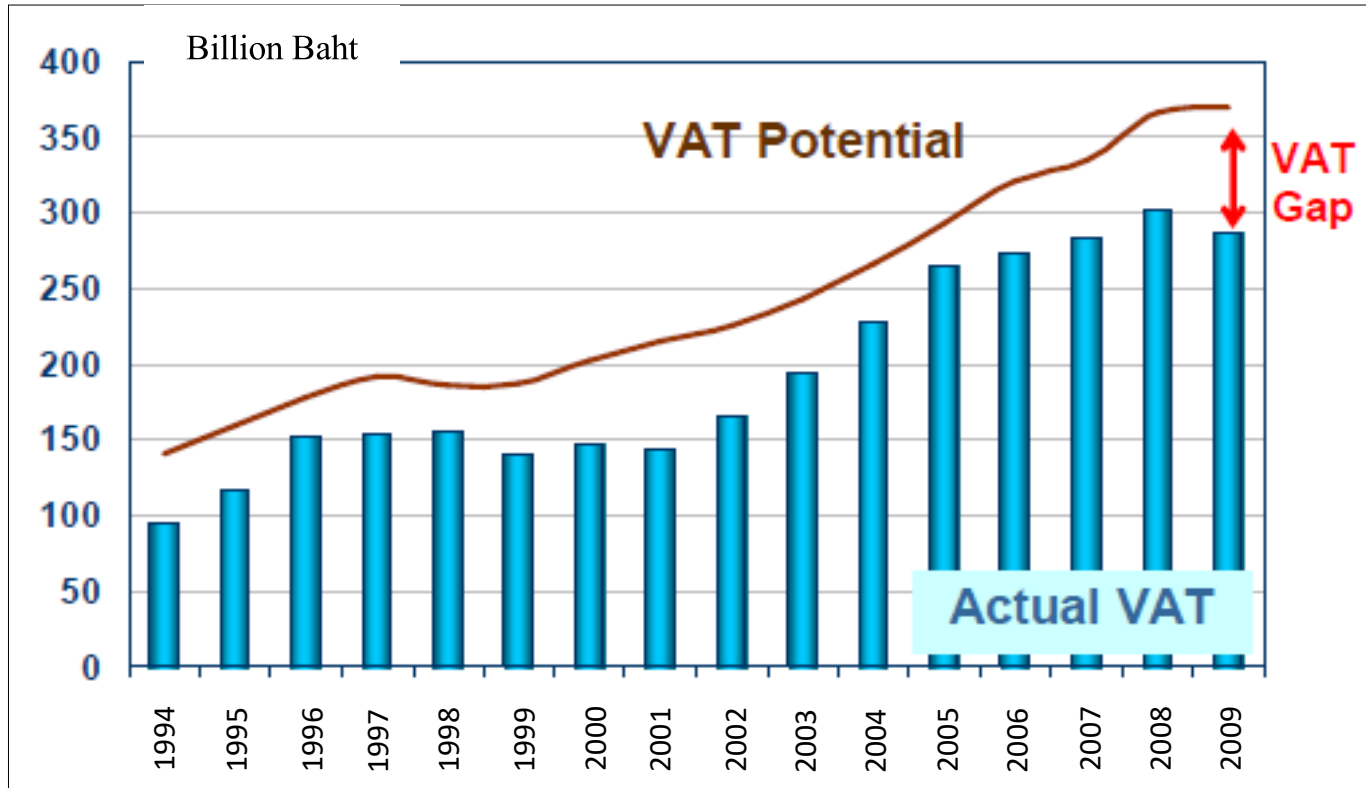
- Petroleum Income Tax

Act B.E 2514 (status 1)	50%
Act B.E 2522 (status 2)	35%
Act B.E 2532 (status 3)	50%
Disposal of profits	23.08%

Indirect Taxes

1. Value Added Tax (VAT) has been implemented in Thailand since 1992 replacing Business Tax (BT). VAT is an indirect tax imposed on the value added of each stage of production and distribution.

Efficiency of VAT collection in Thailand



Source: Surajit and group(2553)

Taxable person

- Any person or entity who regularly supplies goods or provides services in Thailand and has an annual turnover exceeding 1.8 million baht is subject to VAT in Thailand.
- An importer is also subject to VAT in Thailand no matter whether one is a registered person or not. VAT will be collected by the Customs Department at the time goods are imported.
- Certain businesses are excluded from VAT and will instead be subjected to Specific Business Tax (SBT).

Exemptions

Certain activities are exempted from VAT. Those activities are :

- Small entrepreneur whose annual turnover is less than 1.8 million baht;
- Sales and import of unprocessed agricultural products and related goods such as fertilizers, animal feeds, pesticides, etc.;
- Sales and import of newspapers, magazines, and textbooks;
- Certain basic services such as:
 - transportation : domestic and international transportation by way of land;
 - healthcare services provided by government and private hospitals as well as clinics;
 - educational services provided by government and private schools and other recognized educational institutions;
- Professional services : Medical and auditing services, lawyer services in court and other similar professional services that have laws regulating such professions;
- Income from business, commerce, agriculture, industry, transport or any other activity not specified earlier.
- Cultural services such as amateur sports, services of libraries, museums, zoos;
- Services in the nature of employment of labour, research and technical services and services of public entertainers;
- Goods exempted from import duties under the Industrial Estate law imported into an Export Processing Zones (EPZs) and under Chapter 4 of the Customs Tariff Act;
- Imported goods that are kept under the supervision of the Customs Department which will be re-exported and be entitled to a refund for import duties; and
- Other services such as religious and charitable services, services of government agencies and local authorities.

Tax base

1. General Goods and Services

Tax base of VAT is the total value received or receivable from the supply of goods or services. Value means money, property, consideration, service fees, or any other benefits which is ascertainable in terms of money. Tax base will also include any Excise tax arises in connection with such supply. However, tax base is exclusive of the value added tax itself and does not include any discounts or allowances, but only if discounts or allowances are clearly shown in the tax invoices.

2. Imported Goods

Tax base = C.I.F. price + Import duty + Excise Tax (if any) + other taxes and fees (if any)

3. Exported Goods

Tax base = F.O.B. price + Excise Tax (if any) + other taxes and fees (if any)

Tax rates

1. General Rate

7 percent

2. Zero Percent Rate

Certain activities are liable to VAT at the rate of zero percent.

Those activities include:

- export of goods;
- services rendered in Thailand and utilized outside Thailand in accordance with rule, procedure and condition prescribed by the Director-General;
- aircraft or sea-vessels engaging in international transportation;
- supply of goods and services to government agencies or state-owned enterprises under foreign-aid program;
- supply of goods and services to the United Nations and its agencies as well as embassies, consulate-general and consulates;
- supply of goods and services between bonded warehouses or between enterprises located in EPZs.

Indirect Taxes

2. *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.

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.

Tax base and tax rates

Business	Tax Base	Tax Rate (%)
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	3.3
7. sale of securities in a securities market	Gross receipts	0.1 (exempted)

Indirect Taxes

3. *Stamp duties* are taxed on instruments and not on transactions or persons. For the purposes of stamp duty, an instrument is defined as any document chargeable with duty under the Revenue Code.

Indirect Taxes

4. *Excise tax* are levied on certain goods.
- Goods that the government tries to discourage people to consume.
 - Goods that cause environmental problems or cause negative externality.

Excise tax rates

Items	Ad valorem tax rate (%)	Specific tax rate (%)	
		tax (baht)	Quantity unit
Petroleum and Petroleum Products	0-36	0-7	litre/kilogram
Beverage	0-25	0-0.77	440 cl.
Air-conditioning unit	0-15	-	-
Lighting and chandelier	0-15	-	-
Lead crystal and other type of crystal	0-15	-	-
Automobiles	0-50	-	-
Boat	0	-	-
Perfume and cosmetic	0-15	-	-
Carpet and other floor covering materials	0-20	-	-
Motorcycles	0-20	-	-
Marble and Granite	-	-	-
Battery	5-10	-	-
Ozone Depleting Halogenated Hydrocarbon Acrylic	30	-	-
Horse racing course	20	-	-
Golf course	10	-	-
Telecommunication business	0	-	-
Nightclub and Discotheque	10	-	-
Turkish Bath or Parlor Massage	0-10	-	-
Incomes from lottery issuance	0	-	-
Playing Cards	-	2-30	100 cards
Tobacco and Cigarettes	10-87	0.01-1.1	gram
Distilled liquor	0-25	0-250	litre
Soaked Liquor	0-48	3-1000	litre

Note: As of August 30, 2016
Source: The excise department

Indirect Taxes

5. Import and export taxes which imposed on import and export products.

The ad valorem rates are 10-50% and the specific rates are 4-100 baht/unit.

Tax rates in various countries: personal income tax, corporate income tax and value added tax

Country	Personal income tax rate (%)	Corporate income tax rate (%)	Value added tax rate (%)
Southeast Asia			
Thailand	0-35%	0-20%	7
Indonesia	5-30%	25%	10
Myanmar	n/a	n/a	n/a
Vietnam	5-35%	20-50%	0-10%
Malaysia	0-28%	18-24%	6%
Philippine	0-35%	10-30%	0-12%
Lao PDR	0-24%	24-26%	0-10%
Cambodia	0-20%	0-30%	0-10%
East Timor	n/a	n/a	n/a
Brunei	0%	18.50-55%	N/A
Singapore	2-22%	17%	0-7%

Source: Deloitte, PWC, and KPMG year 2015-2017

Tax rates in various countries: personal income tax, corporate income tax and value added tax

Country	Personal income tax rate (%)	Corporate income tax rate (%)	Value added tax rate (%)
East Asia			
China	3-45%	0-20%	3-17%
Japan	55%	23.4%	8% (Consumption tax)
Mongolia	10%	10-25%	10%
North Korea	n/a	n/a	n/a
South Korea	46.2%	10-25%	0-10%
Taiwan	15-40%	17%	0-5%
Hong Kong	16.5%	2-17%	n/a
Average		18.2%	7.14%
OECD			
Australia	0-47%	27.5-30%	10%
Austria	0-55%	25%	13-20%
Belgium	25-50%	20-29%	0-21%
Canada	0-33% (federal), 11.5-25.75% (provincial)	15-16%	5-15%
Chili	0-35%	25%	19%
Czech Republic	15%	0-19%	10-21%

Tax rates in various countries: personal income tax, corporate income tax and value added tax

Country	Personal income tax rate (%)	Corporate income tax rate (%)	Value added tax rate (%)
Denmark	22.5-55.8	22-25	25
Finland	31.25 (national), 16.5-22.5 (municipal)	20	24
France	45	28-33.33	5.5-20
Germany	45	15.33	19
Greece	22-45	29	24
Hungary	15	9	27
Iceland	22.5-31.8	20	24
Ireland	040	12.5	23
Italy	43	24	22
Japan	5-50 (40 national + 10 local)	39.54	5
South Korea	9-21.375 + 36 (excess)	24.2	10
Luxemburg	42	18	17
Mexico	35	30	16
Netherlands	25-51.95	20-25	21
New Zealand	33	23	12-25
Norway	23	18	17

Source: Sakon Varunyuwatana, et al. (2012)

Tax rates in various countries: personal income tax, corporate income tax and value added tax

Country	Personal income tax rate (%)	Corporate income tax rate (%)	Value added tax rate (%)
Poland	18-32%	18-32%	5-23%
Portugal	48%	48%	5-23%
Slovak Republic	21%	21%	10-20%
Spain	19-48%	19-48%	0-21%
Sweden	30-57%	30-57%	6-25%
Switzerland	11.5%	11.5%	2.5-8%
Turkey	15-35%	15-35%	18%
United Kingdom	20-45%	20-45%	0-20%
United State	39.6%	39.6%	N/A
Average		18-32%	20%

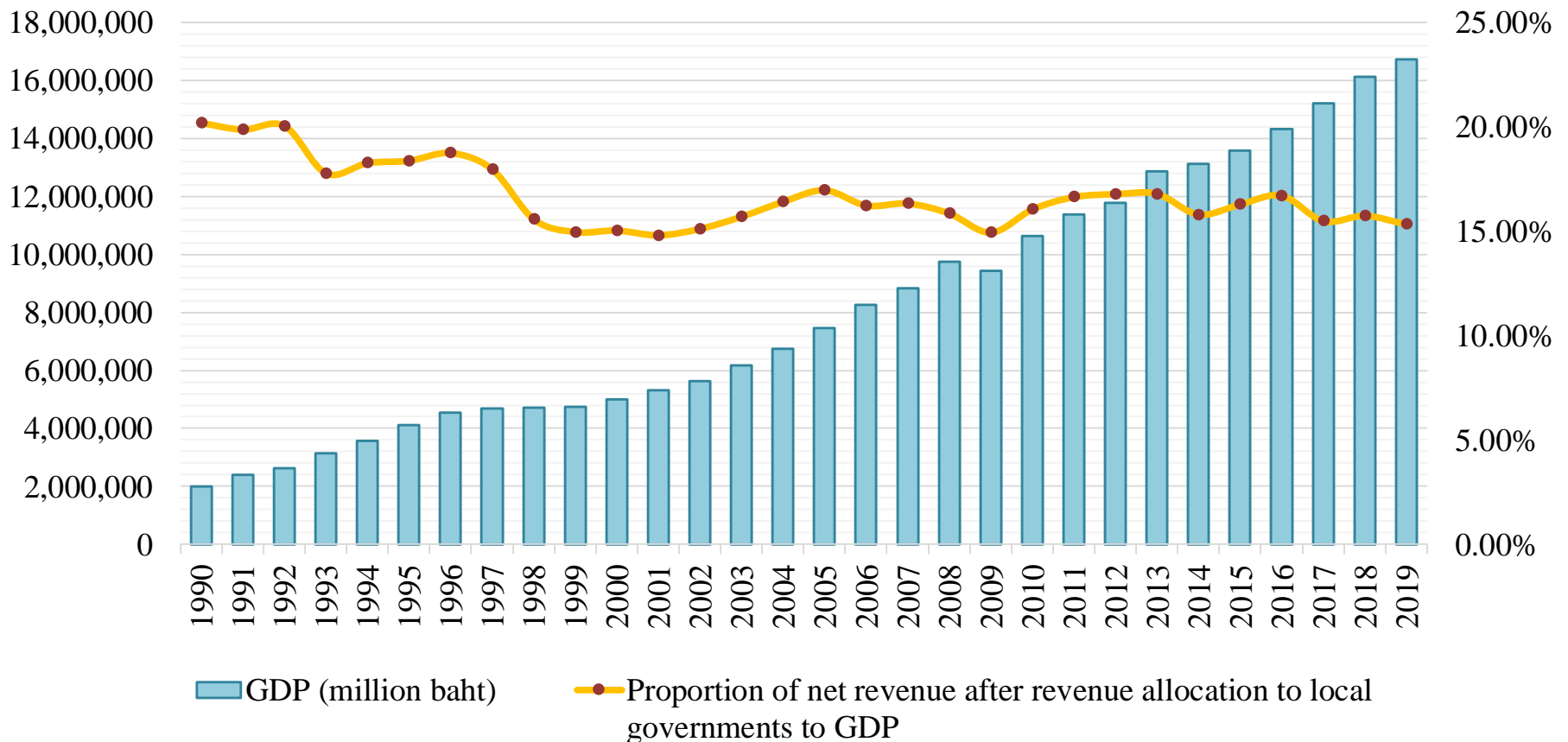
Source: Sakon Varunyuwatana, et al. (2012)

Non-tax revenues

Non-tax revenues:

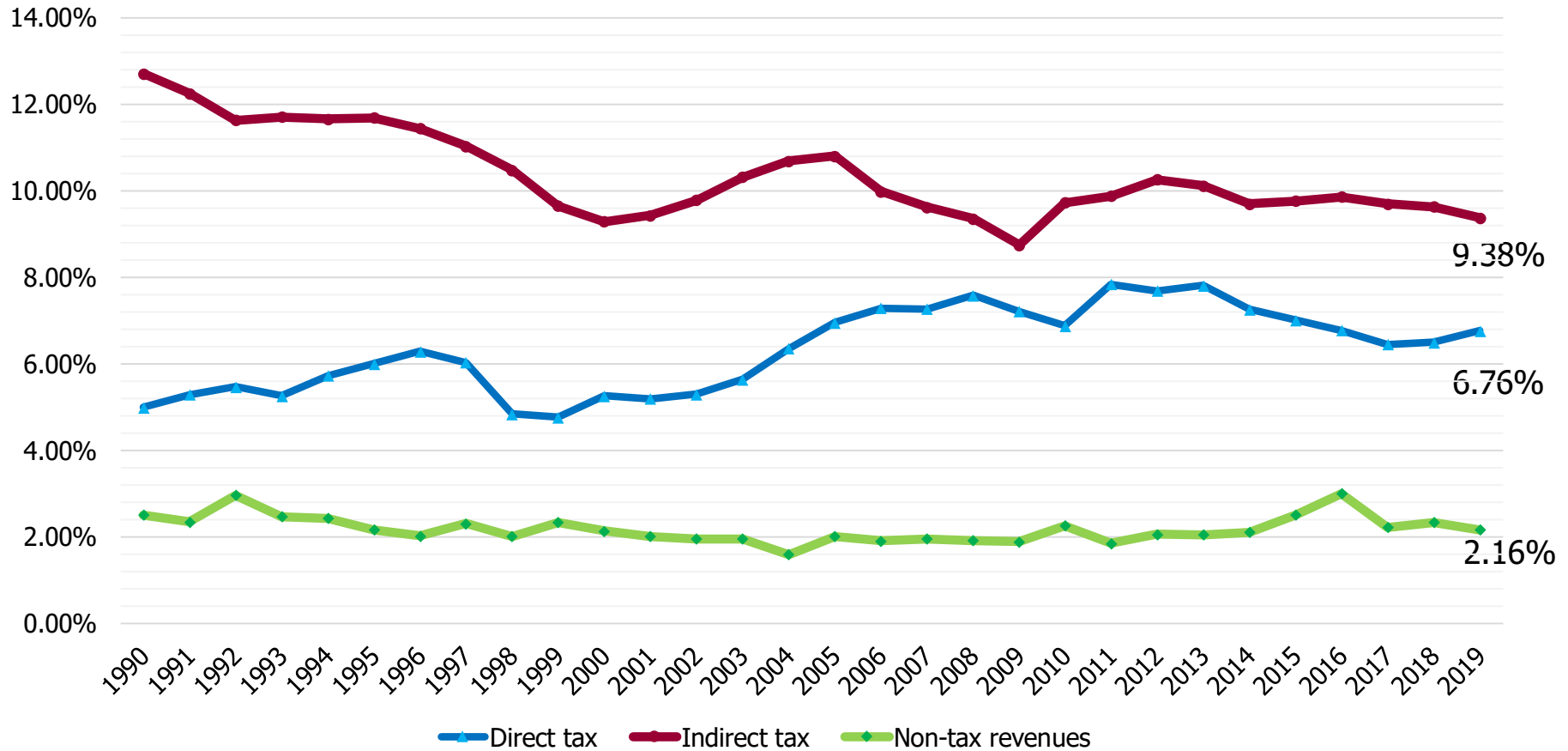
- The revenue from public enterprise (30% of net income)
- The other revenues

GDP and the proportion of net revenue after revenue allocation to local governments to GDP: fiscal year 1990 –2019



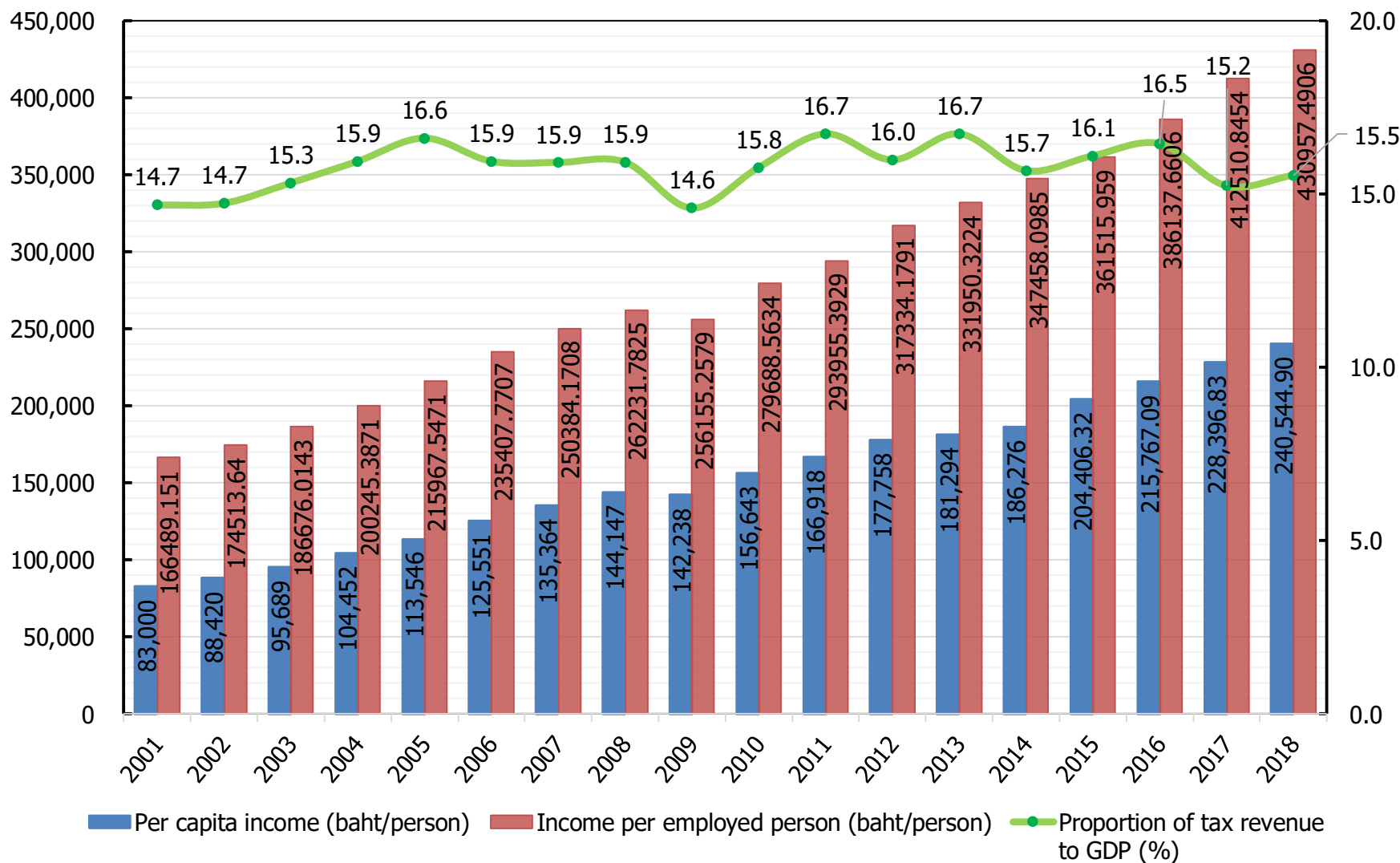
Source: Fiscal Policy Office

The proportion of tax revenue to GDP classified by tax base: fiscal year 1990-2019



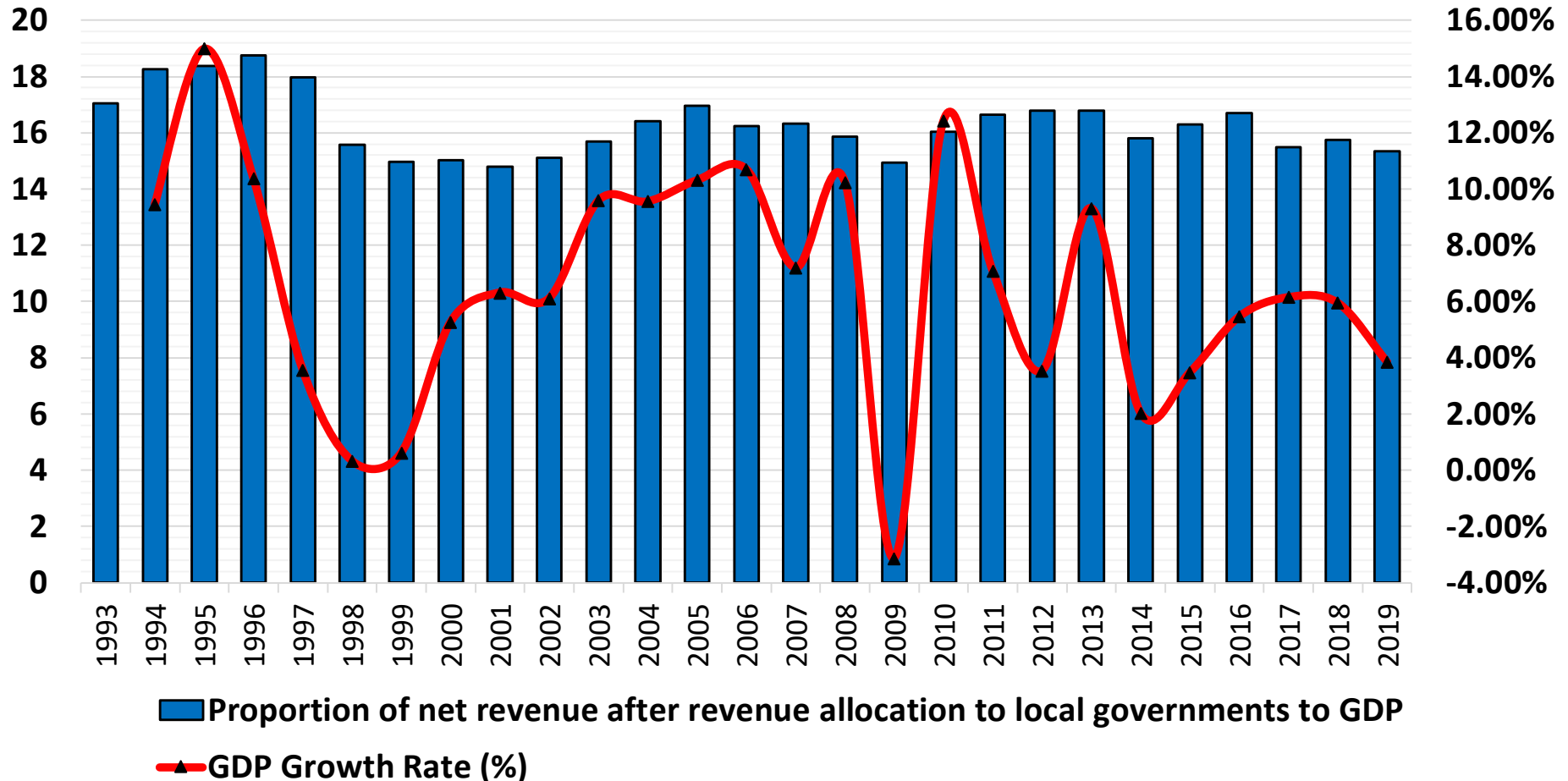
Source: Fiscal Policy Office

The proportion of tax revenue to GDP, per capita income and income per employed person: fiscal year 2001-2018



Source: Office of The National Economic and Social Development Board (NESDB), and Ministry of Finance

The proportion of net revenue after revenue allocation to local governments to GDP and GDP growth rate: fiscal year 1993-2019



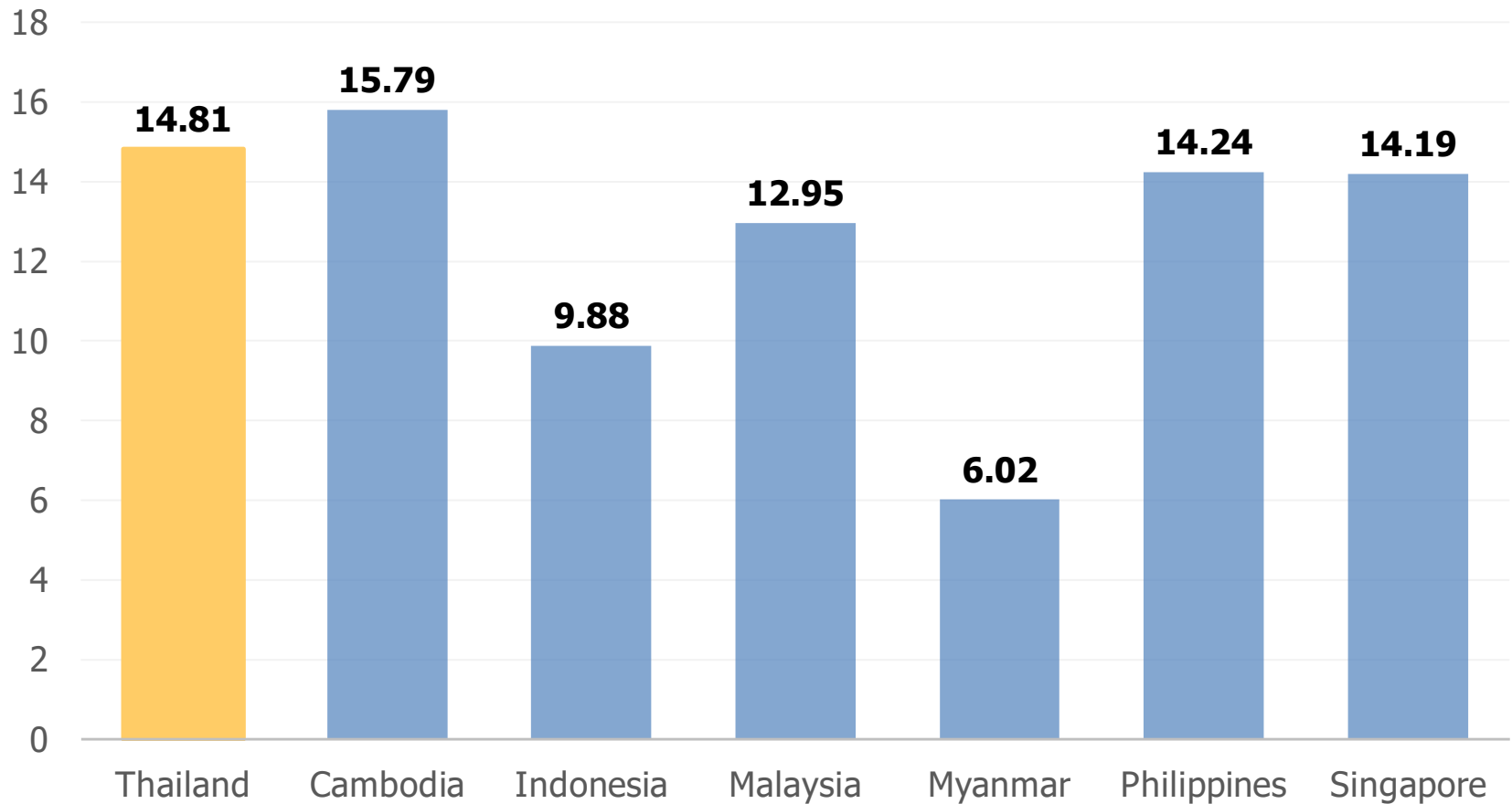
Source: Fiscal Policy Office

The proportion of tax revenue to GDP in various countries

Country	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	24.37	24.34	24.84	24.59	24.09	24.26	22.04	20.53	20.35	21.12	21.96	21.91	21.87	22.12	21.92
Finland	22.06	21.81	21.79	21.42	21.07	20.49	18.88	18.60	20.02	20.14	20.64	20.63	20.46	20.82	20.76
France	22.22	22.27	22.41	22.68	22.26	22.15	20.83	22.09	21.96	22.68	23.37	23.32	23.36	23.20	23.81
Germany	11.00	10.43	10.66	10.85	11.33	11.46	11.63	11.18	11.48	11.63	11.61	11.48	11.42	11.27	11.47
Italy	21.41	20.91	20.70	22.06	22.30	21.82	22.37	22.17	22.15	23.47	23.61	23.40	23.32	23.44	23.05
Japan	8.92	9.35	10.14	10.51	10.11	8.93	8.37	8.81	9.36	9.68	10.36	11.47	11.42	11.15	11.64
Korea, Rep.	14.14	13.45	13.86	14.29	15.48	15.15	14.29	14.05	14.44	14.72	14.31	13.93	13.95	14.83	15.38
Netherlands	20.35	20.17	21.23	21.60	21.60	21.14	20.94	20.99	20.23	19.41	19.69	20.64	21.16	21.91	23.10
New Zealand	29.25	29.26	30.31	31.97	30.08	31.49	29.59	26.06	25.56	26.82	26.65	26.82	27.47	27.39	27.77
Norway	25.93	27.40	28.30	28.91	28.20	27.92	25.97	26.89	27.72	27.05	25.17	23.57	22.22	22.09	22.48
Spain	14.65	15.00	15.71	16.19	16.81	13.34	11.11	13.07	12.53	12.34	14.07	14.33	14.46	13.92	13.86
Sweden	26.82	27.16	28.45	28.48	28.44	26.95	26.61	26.73	26.04	25.75	25.98	26.01	26.68	27.57	27.60
Switzerland	9.19	9.22	9.43	9.52	9.36	9.91	9.68	9.72	9.65	9.52	9.60	9.40	9.84	9.73	10.40
United Kingdom	24.42	25.05	25.38	25.54	25.69	26.25	23.95	25.14	25.62	24.86	24.82	24.60	24.82	25.15	25.45
United States	9.39	9.54	10.68	11.31	11.31	10.32	7.92	8.60	9.57	9.80	10.52	10.95	11.21	10.90	11.76
Thailand	14.48	14.85	16.06	15.64	15.14	15.38	14.19	14.93	16.36	15.44	17.01	15.81	16.14	15.40	14.81

Source: World Development Indicator (WDI)

The proportion of tax revenue to GDP in Asian countries: 2017



Source: World Development Indicator (WDI)

Fiscal Balance

Fiscal balance during fiscal year 1988-2019

- Fiscal surplus, 24,336 million baht in 1988
- Fiscal deficit, 502,959 million baht in 2019
 - Because government expands the investment in a lot of projects.
 - For cash balance, mostly was deficit except for during fiscal year 1989-1993, 1995-1996 and 2006 that were cash balance surplus

Fiscal balance: fiscal year 1988-2019

Unit: million baht

Fiscal year	Revenue to remit	On-budget		Off-budget	
		Expenditure	On-budget cash balance	Off-budget cash balance	Overall cash balance
1988	245,030	220,694	24,336	-56,780	-32,444
1989	309,536	269,351	40,185	-13,471	26,714
1990	394,509	312,320	82,189	-35,525	46,664
1991	464,900	362,464	102,436	-51,816	50,620
1992	499,004	448,322	50,682	-7,086	43,596
1993	557,783	529,619	28,164	-12,375	15,789
1994	655,989	598,798	57,191	-61,898	-4,707
1995	760,138	670,553	89,585	-7,647	81,938
1996	850,177	777,246	72,931	5,897	78,828
1997	844,249	906,641	-62,392	-52,753	-115,145

Fiscal balance: fiscal year 1988-2019

Unit: million baht

Fiscal year	Revenue to remit	On-budget		Off-budget	
		Expenditure	On-budget cash balance	Off-budget cash balance	Overall cash balance
1998	727,393	848,029	-120,636	-18,565	-139,201
1999	709,927	838,711	-128,784	30,827	-97,957
2000	748,105	859,761	-111,656	-9,759	-121,415
2001	769,448	901,529	-132,081	30,736	-101,345
2002	848,707	1,003,600	-154,893	4,471	-150,422
2003	966,841	979,506	-12,665	-28,099	-40,764
2004	1,127,153	1,140,110	-12,957	-55,017	-67,974
2005	1,264,928	1,245,181	19,747	-71,891	-52,144
2006	1,339,691	1,394,572	-54,881	92,210	37,329
2007	1,444,718	1,574,966	-130,248	-11,675	-141,923

Fiscal balance: fiscal year 1988-2019

Unit: million baht

Fiscal year	Revenue to remit	On-budget		Off-budget	
		Expenditure	On-budget cash balance	Off-budget cash balance	Overall cash balance
2009	1,409,653	1,917,129	-507,476	131,198	-376,278
2010	1,708,625	1,784,413	-75,788	-21,568	-97,356
2011	1,892,047	2,177,895	-285,848	177,450	-108,398
2012	1,977,670	2,295,327	-317,657	13,549	-304,108
2013	2,163,469	2,402,481	-239,012	845	-238,167
2014	2,075,665	2,459,990	-384,325	25,020	-359,305
2015	2,206,981	2,601,422	-394,441	74,876	-319,565
2016	2,411,765	2,807,373	-395,608	20,725	-374,882
2017	2,354,032	2,890,544	-536,512	66,048	-470,464
2018	2,524,249	3,007,203	-482,954	92,274	-390,680
2019	2,540,218	3,043,177	-502,959	33,500	-469,459

- The disbursement rate is increasing from 86.8% in 1988 to 100% in 1997.
- The disbursement rate in 101.4% in 2019.
- The proportion of annual budget to GDP increased gradually from 15.6% in 1988 to 17.6% in 2019.

Budget, disbursement, the proportion of budget to GDP: fiscal year 1988-2019

Fiscal year	Budget (million baht)	Disbursement (million baht)	Disbursement rate (%)	GDP (billion baht)	Budget to GDP (%)
1988	243,500.00	211,365.00	86.8	1,560.00	15.6
1989	285,500.00	237,438.00	83.2	1,857.00	15.4
1990	336,507.50	280,841.00	83.5	2,191.00	15.4
1991	387,500.00	316,509.00	81.7	2,520.00	15.4
1992	460,400.00	385,782.00	83.8	2,827.00	16.3
1993	560,000.00	462,744.00	82.6	3,164.00	17.7
1994	625,000.00	511,937.00	81.9	3,601.00	17.4
1995	715,000.00	579,735.00	81.1	4,120.00	17.4
1996	843,200.00	670,259.00	79.5	4,684.00	18
1997	925,000.00	908,055.40	98.2	4,740.20	19.5
1998	830,000.00	816,977.10	98.4	4,628.40	17.9
1999	825,000.00	812,322.50	98.5	4,637.10	17.8
2000	860,000.00	851,987.20	99.1	4,916.50	17.5

Source: Budget Bureau, Fiscal Policy Office and from calculation

Budget, disbursement, the proportion of budget to GDP: fiscal year 1988-2019

Fiscal year	Budget (million baht)	Disbursement (million baht)	Disbursement rate (%)	GDP (billion baht)	Budget to GDP (%)
2001	910,000.00	901,370.50	99.1	5,123.40	17.8
2002	1,023,000.00	1,012,484.40	99	5,430.50	18.8
2003	999,900.00	993,334.90	99.3	5,799.70	17.2
2004	1,163,500.00	1,180,412.40	101.5	6,503.50	17.9
2005	1,250,000.00	1,245,957.30	99.7	7,104.20	17.6
2006	1,360,000.00	1,394,572.00	102.5	7,786.20	17.5
2007	1,566,200.00	1,574,966.00	100.6	8,471.40	18.5
2008	1,660,000.00	1,633,404.72	98.4	9,418.60	17.6
2009	1,951,700.00	1,917,089.48	98.2	8,712.50	22.4
2010	1,700,000.00	1,784,411.95	105.0	10,000.90	17.0
2011	2,169,967.50	2,177,894.55	100.4	10,539.40	20.6
2012	2,380,000.00	2,295,326.20	96.4	11,478.60	20.7
2013	2,400,000.00	2,402,481.69	100.10	11,922	20.1

Source: Budget Bureau, Fiscal Policy Office and from calculation

Budget, disbursement, the proportion of budget to GDP: fiscal year 1988-2019

Fiscal year	Budget (million baht)	Disbursement (million baht)	Disbursement rate (%)	GDP (billion baht)	Budget to GDP (%)
2014	2,525,000.00	2,459,990.55	97.4	12,424,000	20.3
2015	2,575,000.00	2,601,421.00	101.0	12,627,000	20.4
2016	2,776,000.00	2,807,374.00	101.1	14,034,300	19.8
2017	2,923,000.00	2,890,544.54	98.9	15,185,500	19.2
2018	3,050,000.00	3,007,204.00	98.6	16,426,400	18.6
2019	3,000,000.00	3,043,178.00	101.4	17,003,400	17.6

Source: Budget Bureau, Fiscal Policy Office and from calculation

Local governments' budget

Local government revenue

- The proportion of local government revenue to total government revenue increased from 13.79% in 1999 to 29.47% in 2019.

Structure of the Revenue of the Local Governments, 2007-2019

Unit: million baht

Type of Revenue	Budget Year				
	2007	2008	2009	2010	2011
1. Locally Levied Revenue	32,021.45	35,223.60	38,745.96	29,110.41	38,745.96
(%)	(8.96)	(9.35)	(9.35)	(8.54)	(8.99)
2. Centrally Levied Revenue allocated to local governments	120,728.70	128,676.40	140,679.27	126,589.59	148,109.04
(%)	(33.78)	(34.16)	(33.95)	(37.12)	(34.34)
3. Shared Tax	65,300.00	65,000.00	71,900.00	45,400.00	70,500.00
(%)	(18.27)	(17.25)	(17.35)	(13.31)	(16.35)
4. Grants	139,374.00	147,840.00	163,057.00	139,895.18	173,900.00
(%)	(38.99)	(39.24)	(39.35)	(41.03)	(40.32)
Total Local Revenue	357,424.15	376,740.00	414,382.23	340,995.18	431,255.00
(%)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
Total Government Revenue	1,420,000.00	1,495,000.00	1,604,640.00	1,350,000.00	1,650,000.00
Proportion of Local Revenue to Total Government Revenue	25.17	25.20	25.82	25.26	26.14

Source: The Office of the National Decentralization Committee, Prime Minister Office

Structure of the Revenue of the Local Governments, 2007-2019

Unit: million baht

Type of Revenue	Budget Year				
	2012	2013	2014	2015	2016
1. Locally Levied Revenue	46,529.72	50,281.54	56,306.25	61,458.00	70,000.00
(%)	(8.78)	(8.78)	(9.04)	(9.51)	(10.67)
2. Centrally Levied Revenue allocated to local governments	175,457.28	187,988.46	203,818.75	218,222.00	218,940.00
(%)	(33.10)	(32.83)	(32.74)	(33.76)	(33.36)
3. Shared Tax	86,900.00	97,900.00	109,000.00	109,000.00	109,000.00
(%)	(16.40)	(17.10)	(17.51)	(16.86)	(16.61)
4. Grants	221,091.79	236,500.00	253,500.00	257,663.78	258,298.60
(%)	(41.72)	(41.30)	(40.71)	(39.86)	(39.36)
Total Local Revenue	529,978.79	572,670.00	622,625.00	646,343.78	656,238.60
(%)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
Total Government Revenue	1,980,000.00	2,100,000.00	2,275,000.00	2,325,000.00	2,330,000.00
Proportion of Local Revenue to Total Government Revenue	26.77	27.27	27.37	27.80	28.16

Source: The Office of the National Decentralization Committee, Prime Minister Office

Structure of the Revenue of the Local Governments, 2007-2019

Unit: million baht

Type of Revenue	Budget Year		
	2017	2018	2019
1. Locally Levied Revenue	112,000.00	112,000.00	112,000.00
(%)	(16.28)	(15.54)	(14.90)
2. Centrally Levied Revenue allocated to local governments	218,800.00	229,900.00	240,350.00
(%)	(31.81)	(31.89)	(31.89)
3. Shared Tax	111,000.00	115,000.00	123,000.00
(%)	(16.14)	(15.95)	(16.37)
4. Grants	246,091.62	263,922.04	276,130.06
(%)	(35.77)	(36.61)	(36.74)
Total Local Revenue	679,891.62	720,822.04	751,480.06
(%)	(100.00)	(100.00)	(100.00)
Total Government Revenue	2,343,000.00	2,450,000.00	2,550,000.00
Proportion of Local Revenue to Total Government Revenue	289.36	29.42	29.47

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Source: The Office of the National Decentralization Committee, Prime Minister Office

Local government revenue structure: fiscal year 2000 -2019

Million baht

800,000.00

700,000.00

600,000.00

500,000.00

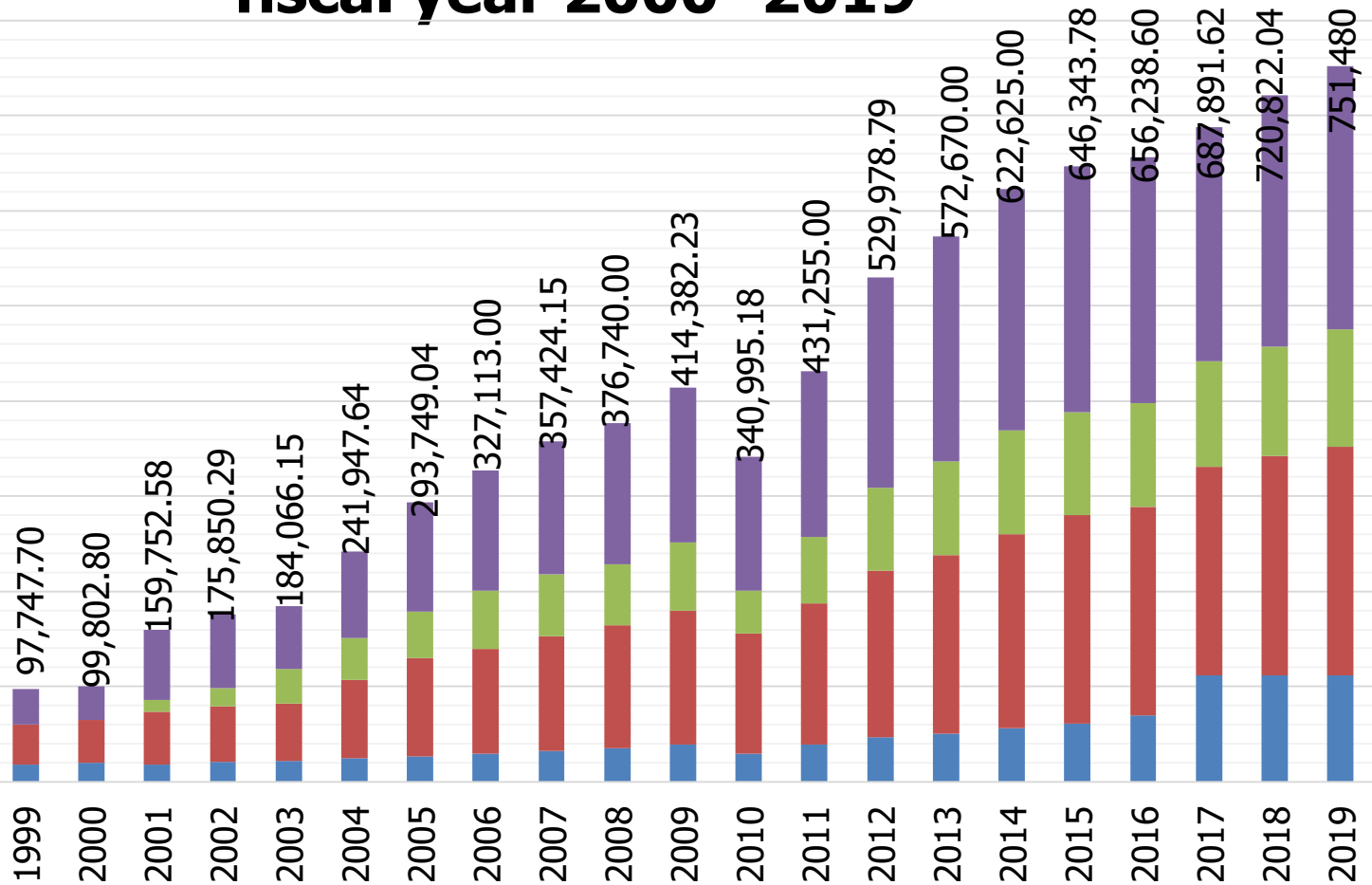
400,000.00

300,000.00

200,000.00

100,000.00

0.00



■ Locally Levied Revenue ■ Centrally Levied Revenue allocated to local governments ■ Shared Tax ■ Grants

Source: Office of the Decentralization to the Local Government Organization Committee