ABSTRACT

The purpose of this research is to study the problems of interpretation of law in imposing corporate income tax by different authorities which are; Interpretation by Board of Investment, Interpretation by Revenue Department, and Interpretation by Central Tax Court, and by the different interpretation could lead to the conflict of interpretation. This research also studies about the deficiencies of law that might affect the rights of taxpayers. Therefore, there are the studies of foreign tax incentive laws which are Vietnam tax incentive and Singapore tax incentive which can be the guidelines to improve to our tax incentive law. Moreover, there are some recommendations to solve such problems as well.

From the study, it is found that the problems occurred because of the interpretation of the authorities are different. The Board of Investment granted the promoted person by the exemption of corporate income tax on the net profit derived from the promoted projects. The method of calculation must be calculated separately on each project. If loss occurs, taking all loss arisen from the privileged period subtract from net profit obtained after the privileged period which is not exceeded 5 years after the expiration. But the Revenue Department disagreed with the method of calculation of the Board of Investment. The Revenue Department imposes taxation under the general rule which applies to all companies and partnerships. And the method of calculation must be combine net profit and net loss of all business activities first, if the profit remain, must be exempt, if loss occurs, will be loss carry forward. In addition, The Central Tax Court has opinion on the interpretation that Taxation law is a public law, so that the interpretation must be strictly interpreted, and must not affect the rights of taxpayers. The taxpayers should be entitled to the benefits and not to increase tax burden to the taxpayers. However, Investment Promotion Act did not legislated about the method of calculation on net profit and net loss for promoted person.
This research recommends to amend the Investment Promotion Act to legislate the method of calculation on the net profit and net loss for the promoted person who obtains the promoted business activities. Also should adopt the foreign tax incentive laws which are Vietnam tax incentive law and Singapore tax incentive law; which is to provide tax incentives to only one juristic person on one promoted business activities. Therefore, the interpretation must be correct to benefit the taxpayers.