

Independent Study Title : Problem Legated to Personal Income Taxation on Partnerships and Non-Corporate Group

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ABSTRACT

This independent research is aimed to study the way of thinking and the gist of the Taxation Law, regarding the formation of a tax entity in a personal group or unincorporated general partnership that is subjected to the personal income tax regulated by the Revenue Code, nature or characteristic of the problem arisen from enforcement of regulations in tax collection administration in order to be in compliance with the gist of the law.

According to our study, it is found out that the provisions regulated, with regard to the taxation on a personal group or unincorporated general partnership, are often used to exploit and serve for tax payers 'own interest by distributing one's own income and of his group to be under the tax entity, particularly a personal group or unincorporated general partnership. With intention to bring down one's tax burden and eventually conduce to tax avoidance, this causes an income lost for government from tax collection and introduce unfairness and inequity in society. This is apparently in contradictory to the principles of a good tax.

In consequence, it is deemed appropriate that there must be a change in the tax collection on a personal group and unincorporated general partnership by amending the provisions of the law, and abolishing the regulation that a personal group or unincorporated general partnership is a tax entity subjected to personal income tax as same as a natural person. In conclusion, it is suggested that the taxation on this personal group and unincorporated general partnership shall be collected from the partners or at the level of the partners instead.