

Independent Study Paper Title : The Collection Tax on Imported Cars and Parts
Author : Mr.Panuwat Tupmaytha
Major : Master of Laws (Taxation Law)
Advisor : Dr.Poom Moolsilpa

ABSTRACT

The main objective of this research paper is to study the issues in importing luxury vehicles, illegally, into Thailand. The research conductor has dissected the issues that have or could have occurred from various causes in order to analyse the root cause of the issues where preventions can be determined. An illegal importation of luxury vehicles marks a big obstacle in the collection of taxes under Thai law. Therefore, it is deemed necessary to conduct a research based on the principle of collecting exotic tax by comparing the regulations under Thai laws and foreign laws, such as the general principle in collecting exotic vehicles by the United States of America and the Republic of Korea.

In present days, there is a different interpretation in collecting taxes for importing assembled luxury vehicles in contrast to other types of merchandise. The Customer Department of Thailand has established guidelines that restrict type range, import duty rate and including tax calculation methods in accordance with the Excite Tariff Act B.E.2530 Category 17 Part 87. Hence, the bar standard for collecting taxes is different than any other type of product, by 200% higher, which has motivated wrong-doing. The main issue is the importation of vehicle's illegally by smuggling them past the Customs Department. The operator's method is to smuggle parts or used parts of a vehicle through Thailand's border and assembling the vehicle after all parts have been collected and sometimes auctioned being held up by the Customs Department is another channel where the operator can launder illegal vehicles.

A recommendation that was found through the research is to follow the [Motor Vehicle Act B.E.2522] where in Section 17, it was established that the vehicles that can be registered must have all of its parts and equipments fully installed according to the Ministerial Regulations. The amendment of The collection

of excise tax under Excise tax Act B.E.2527, Part 5 stated that vehicles are another type of merchandises that are included in the Excise Tariff Act. As for the parts that were imported, (CKD) will have received tax reduction more than bringing in a fully assembled vehicle (CBU), in accordance with the Announcement by the Ministry of Finance, Sor. Kor.1/2542 No.5. Additionally, tax duties must also be reduced to 20% lower no matter what kind of merchandise in order to promote and support the production of domestic merchandises properly and just.

