

Independent Study Title : The Problem of Value Added Tax on Sale of
Secondhand Cars in Thailand
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ABSTRACT

The overall objective of this research is to focus on the problems of value added tax on sale of secondhand cars in Thailand. The study reveals the forms of the methods for taxed Value Added Tax in Thailand, United Kingdom and Singapore, the general structures of Value Added Tax or VAT (Thailand and the United Kingdom) and Goods and Services Tax or GST (Singapore).

From the study on such issue, it found that the important problems of Value Added Tax on sale of secondhand cars in Thailand, when compared between the methods for taxed VAT of the United Kingdom and Singapore, are lacking of the special schemes to account for VAT on secondhand cars and also the method for issuing special tax invoice.

From the analysis of the problems, the author suggested that all of these problems come from the legal loopholes in the Thai Revenue Code. The problems of the matter of law and interpretation occur because Thai tax law does not have special schemes to govern these sale of secondhand cars and also specific definition of the word “secondhand car” in the Revenue Code.

From the study, the problem for taxed VAT on secondhand cars in Thailand requires the Thai government to consider and solve the provisions’ problems to account for VAT on sale of secondhand car businesses. Therefore, Thailand should enact Royal Decree and Director-General Notifications to explain about the special schemes and

specific regime to issue tax invoice on sale of secondhand cars. Moreover, these Royal Decree and Director-General Notifications will govern and specify liability of paying VAT to the Revenue Department.

