

Tax Incentives:

1. Exemption or 50% reduction of import duties and business taxes on imported machinery;
2. Reduction of import duties and business taxes of up to 90% on imported raw materials and components;
3. Exemption of corporate income taxes from 3 to 8 years with permission to carry forward losses and deduct them as expenses for up to 5 years;
4. Exemption of up to 5 years on withholding tax on goodwill, royalties or fees remitted abroad;
5. Exclusion from taxable income of dividends derived from promoted enterprises during the income tax holiday.

Investment Promotion Zones

Investment promotion zones are designated areas around the country for industrial development. Additional incentives are offered to investors who choose to establish their operations in these areas.

1. Maximum reduction of 90% of business tax on sales of products for a period up to 5 years;
2. Reduction of 50% of corporate income tax for 5 years after the termination of a normal income tax holiday or from the date of income earning;
3. Allowance to double the cost of transportation, electricity and water supply for deduction from taxable corporate income;
4. Allowance to deduct from the taxable corporate income up to 25% of the investment in the costs of installing infrastructural facilities for 10 years from the date of income earning.

The BOI has designated four Investment Promotion Zones:

Zone 1 is in the north of Thailand including San Kamphaeng District in Chiang Mai Province, Mae Sot District in Tak Province and Muang District in Lamphun Province.

Zone 2 is in the central/northeast regions including Muang, Pak Thong Chai and Pak Chong Districts in Nakhon Ratchasima Province, and Muang and Kaeng Koi Districts in Saraburi Province.

Zone 3 is in the northeast including Muang and Kaeng Koi Districts in Kon Kaen Province.

Zone 4 is in the south including Muang and Hat Yai Districts in Songkhla Province.

Also included in the Investment Promotion Zones are industrial estates promoted by the BOI. These are:

- Bang Chan Industrial Estate, Minburi District, Bangkok
- Lard Krabang Industrial Estate and Export Processing Zone, Lard Krabang District, Bangkok