

SUPAPORN YONGSUWANKUL : THE WAY TO IMPROVE PROPERTY TAX LAW.
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Property tax is essential for the national development, particularly local development. This is because the collection of property tax, which is made on the immovable property located in each locality, covers the entirety of the locality, is fair and facilitates all tax payers. The money collected will be used in the provision of public utilities and development of such locality. If a country has a good system of property tax collection, that country will have sufficient revenues to develop the localities and the country as the whole. That is to promote the local administration and by the way to reduce the central government's burden in supporting the localities. Thailand has so far not yet introduced a property tax law in accordance with the tax collection principle to ensure fairness to the people; it has only tax collected on property by the local government which takes the form of local development tax law and building and land tax law.

This study indicates that both laws have several defects in respect of tax structure and administration, which results in the revenues from both taxes not sufficient for the development of localities. The tax rate structure of the local development tax law is regressive. The assessed value of land used as the basis for tax collection has been applied since 1978 and is not appropriate for the present situation of land price. The exemption of local development tax is granted to a number of land in possession regardless of whether it has a high or low price. This results in that the possessors of land with a high value being at a more advantageous position from the tax exemption than those who possess land with a low value. The exemption of tax for building and land in which the owners reside themselves under the building and land tax law without regard to the value of the building and land grants the same exemption for those who have building and land at high value as those who have building and land at low value. The tax administration under both laws has defects in respect of the inefficient assessment of the value of property, fairness and allowing the official to exercise discretion in the assessment of property value. The information about property in connection with tax collection based on tax maps and tax roll is also not up-to-date. The penalty for tax evasion is light which results in the tax payers not observing the law.

Therefore, it is recommended that the building and land tax law and the local development tax law be united into a property tax law under which the local government shall have the power to administer and collect the tax as its own revenues. This will enable the law on tax collected from local property to be uniform, fair and to increase revenues to be used in the local and national development.