

Abstract

Taxation is the most important source of revenues for modern governments; however, amount of taxes collected in each country differs considerably. Not only taxes are important as national income, but they are also directly affecting the maintenance of the country's stability in economy and social development, necessarily as one of the public financial devices for the state. In Thailand, income tax, chiefly from the corporate income tax, typically accounting for 35.45 percent or more of all types of taxes, is the main source of government's revenues.

Among all types of taxpayers, juristic persons, i.e., corporations and registered partnerships, are the largest tax entities in the tax system, therefore it is essential to study the imposition of corporate income tax for more efficient administration of the tax system and for more fairness to the taxpayers. Since taxation is the main device of revenues and since both Thailand and Singapore, located in South East Asia; aim to make a progress in their economic system with the purpose of founding themselves as the business center in this area , the objective of this thesis is to study the comparison of corporate income tax structures between Thailand and Singapore. The study is particularly on the calculation of corporate income tax which is computed from the company or the registered partnership's net profit on the accrual basis under Thai and Singaporean laws. Unsurprisingly, Singapore alters the corporate income tax law very often as to its concern on the rapid changes in the world economy. For Thailand, in order to applying some innovative measures from Singaporean tax law and in order to achieve this mission, we need to understand the basic reasons leading to Singaporean taxation structure.

From the study of the comparison in corporate income tax structures between Thailand and Singapore, particularly on the imposition of corporate income tax, it is found that there are some measures that would be very beneficial if they are applied to the Thai tax system as following

- To append the principle of tax resident in order to increase corporate taxable entities.
- To expand the interpretation of fines and penalties imposed on the taxpayers for violating the law under Section 65 ter (6)

- To append the principle relating to the deductibility of the keyman life insurance premiums allowable only for the insurance on the death and incapability of the business's keyman and only for business purpose.
- To append the principle of the continuity of beneficial owners.
- To apply the principle of the tax group relief to Thai tax law.
- To apply the principle of the loss carry back into Thai tax law, especially during the time of economic crisis, to the SMEs.
- To apply the principle of the carry forward of donations to Thai tax law.
- To expand the interpretation of SMEs definition.
- To eliminate the economic double taxation for the juristic company or partnership that carrying business in Thailand, regardless of whether they are listed in the Stock Exchange of Thailand or not.
- To use the same principle of depreciation of assets in finance lease as in hire purchase.
- To adjust the types of asset that could be deductible from corporate income tax's calculating method.