

Abstract

Land and Building Tax Law has been enacted to improve the defects and problems of Building and Land Tax Law and Local Development Tax Law, and to set a proper and effective tax collecting system for immovable property. In studying Thai Land and Building Tax Law, which is a Selective Property Tax, it was found that the law has some imperfections in the tax structure. Nevertheless, replacing Building and Land Tax Law and the Local Development Tax Law with the Land and Building Tax Law is intended to improve the defects and problems caused by the Building and Land Tax Law. However, in analyzing the Land and Building Tax Law, it was found that this law could partly improve the errors of the law that is presently enforced. In addition, this amended purview can only reduce tax avoidance and create accurate tax collecting. When the Land and Building Tax Law is enforced, it can be expected that the state might still face the problems of injustice and low tax revenue.

This thesis, therefore, intends to study the amendment Draft Land and Building Tax Act B.E., starting with studying the general idea of tax law, the Building and Land Tax Law and the Local Development Tax Law, the foreign property tax law. In addition, this thesis also aims to analyze Land and Building Tax Law which is the new purview helped in amending the flaws and problems of Building and Land Tax Law and Local Development Tax Law, to study the problems of Land and Building Tax Law in tax structure, and to offer suggestions to improve Draft Land and Building Tax Act B.E.

In studying Draft Land and Building Tax Act B.E. focusing on tax structure, there are several defects and suggestions as follow:

(1) This act does not consider people who might be involved in the tax obligation. The act defines a “taxpayer” as an owner of a property while it also assigns that the state property invaders have to pay tax. The act should redefine a “taxpayer” to include the state property invaders.

(2) Even though, Land and Building Tax Law is intended to amend the imperfections in the tax base by using the real property's value as the tax base instead of using the Annual Rental Value in collecting Building and Land Tax, and the Land site Value in collecting Local Development Tax, the capital value which has been used presently is still improper to use as the tax base of the Land and building Tax because of the limitations of land and building valuation, which are the valuation units, the data of the properties, and the valuation equipment.

The state should, therefore, improve purview of the act of property auction through founding of the Valuation Department. In case the Valuation Department can not be found before the enforcing of Land and Building Tax Act, at the beginning the state should find the local valuation units along with developing the staffs of the Valuation Department by sending the officers to be trained in the valuation department in other countries, encouraging universities and colleges to teach the property valuation causes, outsourcing effective property valuation companies, establishing Property Valuation Database that can be intercommunicated with others state units.

(3) The Land and Building Tax rate is based on a low stable rate. A local authority has the right to enact the local acts determining that local tax rate but must not be more than 0.1% of tax base. This low tax rate that has been assigned without concerning the using of that property. This causes low tax revenue problem. The state should, therefore, improve the purview about tax rate by considering the use of the properties as follow: the property used as a residency of the owner is based on the progressive rate which are 0.1%, 0.3%, 0.5% and 1.0%, the rate for the property used for agriculture is 0.1%, the rate for the property used for industry and rental is 0.3% rate, and the rate for the property used for trade and commerce is 0.5.

(4) Tax reduction by too many exemptions and deductions according to the present law leads to the narrow tax base, which affects the total amount of tax revenue. Nonetheless, relieving tax burden by denouncing the Building and Land Tax Exemption for

a residency also increases tax burden of the residency's the owner. In this regard, the government should exempt the Land and Building Tax for the lands and buildings that are used for residences and have the appraised value of less than 500,000 Baht. Since there is no tax reduction for owners of land and building used as residency, there should also be a law of tax reduction for low-income owner.

(5) There are many problems concerning tax appeals in Land and Building Tax Law. There are numbers of procedures, short and inextensible period for tax valuation appeals, both of the single and the group units that have authority on decision of Commission of appeal, improper period of tax adjudication appeals, and the unclear purview of filing a case. The researcher, therefore, suggest to reduce the administrative progress of tax appeals to one step which will authorize the local authorities as the Commission of appeal. Moreover, the government should extend the period for tax valuation appeals to 90 days after the date that a taxpayer has received tax valuation or has been regarded as the taxpayer who has received tax valuation. The government should, furthermore, define that the extending of the tax valuation appeals period must depend on each case but must not be more than 30 days after the ending date of appeal, and that the Commission of appeal must make the decision in 60 days after the date of receiving an appeal. In case that the Commission has necessary cause, the jury has the right to extend the period of appeal adjudication but not more than 60 days after the ending date of the previous appeal adjudication. In case that the Commission of appeal can not make the decision before the ending date, it must be regarded that the Commission of appeal has dismissed the appeal. The appellant can, however, immediately file the case to the Tax Courts.