

Thesis Title	Practical Problems on Value Added Tax Levied on E-Commerce: A Case Study on Sale of Goods via Internet Operated by Business Enterprises Established in The Kingdom of Thailand
Author	Wichuda Narasap
Thesis Advisor	Associate Professor Jirasak Rodjun, Ph.D.
Department	Law
Academic Year	2014

ABSTRACT

Value added tax is an indirect tax collected from VAT registrants regarding to the sale of goods and provision of services, including imported goods. All business persons have to pay the value added tax unless the law provided that their business is exempted from VAT. Therefore, if value added tax payment is required for e-commerce goods and services by law, the business enterprises selling the goods or providing the services must register the business and pay the value added tax accordingly. Currently, there are a number of e-commerce entrepreneurs who do not have sufficient knowledge and understanding about their responsibilities to pay tax.

According to the results of this study, the author has found that the lack of sufficient knowledge is partially caused by the fact that legislation under the Revenue Code is vague and unclear. As a result, a large number of e-commerce entrepreneurs have not been registered in the VAT collection system, leading to the inequality of prices of products from different suppliers, namely actual stores and online platforms. In this case, the prices of goods sold on the Internet are lower than the prices of the same goods sold on other platforms because VAT has not been charged and this goes against the principles of tax justice. Another problem is the inefficient tax collection system as the taxpayers have found it inconvenient and time-consuming. In addition, the tax authorities are still unable to systematically investigate tax evasion, thereby violating the principles of efficient taxation. Besides, when the tax collection system is ineffective, there will be probability distortion in decisions concerning the economic activities of taxpayers and this contradicts the principles of economic efficiency.

Therefore, the author has given some suggestions for improving the legislation under the Revenue Code with regard to the definitions that need to be made clearer and to include e-commerce entrepreneurs or e-commerce business. In addition, the tax collection procedures should be improved and they should be consistent with the Revenue Code. New technology should be utilized to its full potential to deliver convenience to taxpayers. There should be the legislation amendment under the Revenue Code regarding the procedures for collecting the value added tax from e-commerce, including e-commerce business registration, registered numbers of e-commerce enterprises for purchasing references and online issue of tax invoice. Moreover, a new public relations unit of the Revenue Department should be established to disseminate news and information to the public. There should be a systematic examination of tax evasion of e-commerce. The analytical finding found that the above suggestions can be used as practical guidelines for improving the VAT collection system for e-commerce in the future.