

THE COMPLEXITY OF TAX SIMPLIFICATION: EXPERIENCES FROM THAILAND

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Abstract:

Tax simplicity is a significant tool for a tax system. There are lots of attempts for tax simplification among different countries. Some of them are successful but some of them have more tax complexity. Thai tax authorities attempt to simplify tax in terms of increase fairness, decrease problems of tax avoidance and tax evasion, amend the tax law, create good tax administration and increase the efficiency of communication towards taxpayer.

This paper examines the role of three main revenue authorities of Thailand in tax simplification for the operation of a tax system. Secondary data analysis and semi-structure interview from a variety of level of tax officials are used for data collection. It is found that three main departments attempt decrease tax complexity, increase simplicity of tax administration and increase taxpayer satisfaction. However, problems of complexity of some tax systems are still. Tax simplification is not simple as expectation. Simplification of tax laws is implemented but the processes of tax law amendment are so long. Several alternatives of tax payment are arranged that makes taxpayer satisfaction. However, higher corporate tax rate is still being problem for foreign investors. Complexity in structure of excise tax and customs tax together with difficulty of tax calculation is obstacle of tax simplification. It suggests that setting up of independent tax institution may be one alternative to increase achievement of Thai tax simplification and develop the modern of tax system.

Keywords: tax complexity, tax simplification, taxpayer satisfaction, tax system