

A Domestic Consumption Stimulus by Tax Allowance for Shop and Refund Program

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Abstract

Most countries use tax allowances to relief taxpayers' burden. Generally, personal tax allowances are considered from demographic data, economic factors and socioeconomic environment. The main tax allowances are personal, spouse, child and disabled allowance. Thailand has 19 tax allowances. Perhaps, government may need tax allowances to cover a variety of taxpayers' assessable incomes. One of the most interesting tax allowances is Tax Allowance for Shop and Refund Program that taxpayers can claim tax deduction up to 40,000 baht (1,111 Euro) from purchasing goods or services between 1st January and 15th February 2023. However, it is hardly impossible that taxpayers will receive maximum tax rebate because they must receive e-Tax Invoices and e-Receipt from purchasing 10,000 baht (277 Euro) from VAT entrepreneurs that are currently 0.23% of all VAT entrepreneurs.

This research aims to examine whether tax allowance for Shop and Refund Program generate more consumption. In addition, a relationship among demographic data, types of assessable incomes and tax allowance for Shop and Refund Program are determined. Moreover, problems that shoppers, taxpayers and tax officials face from this campaign are investigated. More than 1,000 online questionnaires are launched to taxpayers and shoppers, followed by semi-structure interviews with them and tax officials. For the preliminary results, in the viewpoints of entrepreneurs, tax allowance for Shop and Refund Program generates increase of domestic sales around 10-15% during Chinese New Year. However, several taxpayers misunderstood that they can relief tax burden 40,000 baht despite amount of tax allowance depends on assessable incomes.

Keywords: tax allowance, personal income tax, taxpayers, tax burden, tax invoice, tax scheme, domestic consumption