Legal article

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Tax on Dividends and Interest

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> This article is general legal information, not a legal opinion on any specific matter. Each matter must be assessed on its own facts and evidence. The latest online version is at https://eksiamtax.com/en/guides/dividend-interest-tax.html

Dividends and interest are income under Section 40(4) of the Revenue Code, but the tax consequences are not the same in every case. It is necessary to consider who the payer is, what the recipient's status is, whether the income arises in or outside Thailand, and whether the income is exempt or carries a credit entitlement. Seeing the amount of tax withheld on a certificate is therefore not enough to decide the appropriate way to file.

01 Start by classifying the income correctly

Income	Common withholding	What else to check
Dividends paid by a Thai company to an individual	Generally, 10% withholding tax	The source of the profits, the company's corporate income tax rate, and the credit entitlement under Section 47 bis
Interest on deposits, government bonds, debentures, or debt instruments	In many cases, 15% withholding tax	The type of account or product, any exemption, the payer, and the recipient's status

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Income	Common withholding	What else to check
Foreign dividends or interest	Foreign tax may have been withheld	Tax residence, the year in which the income arose, remittance into Thailand, any double tax agreement, and evidence for a foreign tax credit
Returns not labeled “interest” in commercial terms	Depends on the substance of the instrument and the counterparty	Read the terms of the product; do not decide based only on the name of the item in the statement

The 10% and 15% rates above are those commonly applied in ordinary cases; they are not the answer for every transaction. Before filing, check the withholding tax certificate and the specific provisions of law that apply to that income.

02 How the dividend tax credit works

Dividends from a company or juristic partnership established under Thai law may carry a tax credit under Section 47 bis for a taxpayer who is domiciled or resident in Thailand. The source of the profits and the conditions attached to the dividend must first be checked, because some types of dividends may carry no credit entitlement.

The general formula published by the Revenue Department is **dividend × corporate income tax rate ÷ (100 – corporate income tax rate)**. If the taxpayer elects to include the dividends in the tax computation, the tax credit must also be added to income, and the credit is then deducted from the tax computed at year-end.

> **Example to illustrate the formula:** A dividend of THB 80,000 paid out of profits that bore 20% corporate income tax carries a credit of THB 20,000 under the formula, so the income to be included is THB 100,000, before the credit and the tax withheld are deducted from the year-end tax. This example does not cover dividends that are exempt or carry no credit entitlement.

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03 Do not choose the filing method by the tax rate alone

Whether to treat the tax withheld as a final tax or to include the income in the tax computation must be decided according to the entitlement for each type of income, by comparing the outcome of both methods. It should not be assumed that, because the taxpayer's top marginal rate exceeds 10% or 15%, leaving the income out is always better, since the dividend tax credit, allowances, and other factors may change the result.

1. Compute the tax on other income first, then add the dividends or interest by the method the law permits.
2. Total the tax actually withheld and the tax credit to which you are actually entitled; do not use figures estimated from general rates.
3. Compare the net tax under each option, including the effect on any refund and on the documents you must be able to produce.
4. Check consistency with the information the payer reports to the Revenue Department and with the data in the e-filing system.

04 Documents to keep for dividends and interest

- A withholding tax certificate from each payer, with the correct taxpayer identification number and tax year
- The dividend payment slip or other document stating the source of the profits and the tax rate of the paying company
- Bank or securities account statements that can be reconciled to the income and the tax withheld
- For foreign income: evidence of the date of receipt, the date the money was brought into Thailand, foreign tax paid, and a certificate of residence if treaty benefits are claimed (the rules on taxing foreign income remitted into Thailand are explained in our article on foreign-source income (Thai))

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- A worksheet comparing the filing methods, to explain how the figures were derived if they are later examined

05 Common mistakes

- Claiming the dividend tax credit without documents confirming the source of the profits, or claiming it for dividends that carry no entitlement
- Reporting the net amount after tax as income, instead of the gross amount before tax as the law requires
- Combining Thai and foreign income without checking the source rules and the foreign tax credit
- Missing certificates from some payers, so that the amounts in the return do not match the information the Revenue Department has received
- Choosing a method by instinct without computing both options, resulting in paying more tax than necessary or claiming a credit beyond your entitlement

Official sources: Revenue Department, types of taxable income (Thai), dividends and tax credits (Thai), and Revenue Department training material on withholding tax (Thai), checked on 27 June 2026 (B.E. 2569). The actual tax outcome depends on the taxpayer's status, the source of the income, and the law for that tax year.

> **General legal information:** This guide is general information on Thai tax law and is not legal advice on any particular case. This page is an English translation of the Thai original; the Thai text prevails.

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