

## CONTACT

- +662 679 6005
- +662 679 6041
- www.ilct.co.th
- law@ilct.co.th

## The Impact of Same-Sex Marriage on Taxation in Thailand

Thailand's recent legalization of same-sex marriage marks a major milestone in the region, making it the first Southeast Asian country to recognize marriage equality. As of January 22, 2025, same-sex couples will be able to legally register their marriages, gaining the same legal rights and responsibilities as opposite-sex couples.

One of the key areas affected by this legislative shift is taxation. In Thailand, marital status plays a crucial role in determining tax liabilities, access to tax incentives, and eligibility for tax exemptions. With the introduction of marriage equality, same-sex couples will now be subject to the same tax regulations as their heterosexual counterparts, ensuring equal treatment under the law.

### How Marriage Equality Affects Personal Income Tax

Married couples in Thailand have different options when it comes to filing their personal income tax returns.

They can choose to:

1. File **separate tax returns** as individuals;
2. File a joint return **together**; or
3. File a **joint return** while keeping **employment income separate**.

In cases where certain types of income cannot be clearly attributed to one spouse, the law requires couples to split the income equally. However, there is an exception for income categorized under Section 40 (8), which can be divided based on mutual agreement. This provides couples with some flexibility in managing their tax liabilities.

### Inheritance Rights for Spouses

In Thailand, inheritance laws provide significant protections for surviving spouses, ensuring financial security after the loss of a partner. Under Thai law, a surviving spouse is exempt from paying inheritance tax on any specified assets received from their deceased partner. This provision now extends equally to same-sex spouses, granting them the same legal rights and protections in matters of inheritance. This alignment reflects Thailand's commitment to equality in family law and financial matters.

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## Gift Tax Rules for Married Couples

The introduction of marriage equality has also led to standardization in Thailand's gift tax regulations. In general, the country imposes a 5% tax on income that exceed specific thresholds. However, income as a sustentation, support or gift given by spouse, ascendants, and descendants in the event of a formal ceremony, on customary, occasion, or under moral responsibility are exempt from tax up to a limit of 20 million THB per tax year.

For married couples, this means that any financial sustentation, support or gifts—such as cash, jewelry, or vehicles—given by one spouse to the other will be tax-free up to the 20 million THB threshold. If the total value of income exceeds this limit, the excess amount will be subject to a 5% gift tax.

## Looking Ahead

The legalization of same-sex marriage in Thailand represents more than just a social and legal victory—it also brings practical implications, particularly in the realm of taxation. These changes ensure that all legally married couples, regardless of gender, are granted equal rights and obligations when it comes to tax matters.

While the legal framework is now in place, the practical application of these tax rules may require further clarification and ongoing adjustments. Same-sex couples are encouraged to stay informed about their tax responsibilities and seek professional advice when necessary to fully understand their rights and optimize any available benefits.

## About ILCT Ltd.

ILCT Ltd. is a full-service law firm based in Bangkok, Thailand, with over 50 years of experience providing comprehensive legal solutions to domestic and international clients. Our firm offers expertise across a wide spectrum of legal fields, including corporate and commercial law, mergers and acquisitions, intellectual property, dispute resolution, taxation, regulatory compliance, and foreign investment. Beyond these core areas, ILCT Ltd. delivers tailored legal services to meet the diverse needs of businesses operating in various industries, ensuring strategic, efficient, and compliant solutions in an ever-evolving legal landscape. Our multidisciplinary approach, combined with in-depth knowledge of Thai and international law, enables us to assist clients in navigating complex legal and business challenges with confidence and clarity.

For more information, please contact us at: [law@ilct.co.th](mailto:law@ilct.co.th)