



TAX TIME

Royal Decree No. 803: Updated Deductible Expense Rates for certain Independent Professions

On 6 February 2026, Royal Decree (RD) No. 803 B.E. 2569 (2026) was issued to introduce amendments to the deductible expense rates applicable to certain categories of assessable income under the Thai Revenue Code (TRC). This RD reflects the government's effort to update taxation rules in response to evolving economic and professional landscapes, particularly for individuals engaged in independent professions.

Key Changes

The Royal Decree revised Section 6 of Royal Decree No. 11 B.E. 2502 by introducing new flat-rate expense deduction percentages for income derived under Section 40(6) of the Revenue Code (independent professions). The updated deductible expense rates are as follows:

Type of Income	New Deductible Expense Rate
Independent medical practice	60%
Independent fine arts professions	60%
Other independent professions	30%

Flexibility to Use Actual Expenses

Importantly, the Royal Decree maintains flexibility for taxpayers to opt to claim actual expenses instead of the prescribed flat rates. To do so, taxpayers must retain sufficient supporting documentation to substantiate that their actual expenses are:

- Necessary and reasonable
- In accordance with Sections 65 bis and 65 ter of the Revenue Code. However, if actual expenses exceed the flat-rate deduction, the higher actual amount may be claimed. On the other hand, if actual expenses are lower than the flat-rate allowance, deductions will be limited to the proven amount.

The Royal Decree is effective from the day following its publication in the Government Gazette. It applies to assessable income derived in tax year 2025 (B.E. 2568), to be filed in 2026 onwards.

Implications for Taxpayers

This amendment has several practical implications:

- Increased deductions for certain professions. The 60% deduction for medical practitioners and fine arts professionals represents a substantial expense allowance, potentially reducing taxable income significantly where actual expenses are modest
- Strategic choice between flat rate vs. actual expenses. Taxpayers should reassess whether the simplified flat-rate deduction remains optimal, or a detailed expense tracking approach could yield greater tax efficiency. Those opting for actual expense deductions must ensure that the proper bookkeeping and supporting documents are maintained; and expenses comply with Revenue Code requirements.

Our Observations

The updated rates appear aimed:

- Reflecting modern cost structures across professional services
- Supporting compliance simplification through higher flat-rate deductions
- Encouraging fair taxation aligned with real economic activity

The differentiation between specific professional categories also indicates a recognition of industry-specific cost profiles.

How BDO can assist

BDO Thailand can support you in following below:

- Assessing whether flat-rate or actual expense deduction is more beneficial
- Reviewing expense categorization and compliance
- Preparing and filing personal income tax returns
- Providing strategic tax planning advice tailored to your profession.

Royal Decree No. 803 introduces meaningful updates that may significantly impact taxpayers engaged in independent professions. With the rules applying from the 2025 tax year onwards, early evaluation and planning will be key to optimizing tax outcomes.

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