

Legal Measures on New Car Import Tax in the Form of Ready-Made Car Rates

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Abstract:

This research aims to study the problem of importing new cars by avoiding the tax at the rate of finished cars. To study the laws related to the import tax of new cars at the rate of finished cars and to find appropriate legal measures to collect import taxes on new cars at the rate of finished cars. A qualitative research methodology is employed, involving an in- depth analysis of statutory laws, regulatory frameworks, judicial decisions, and administrative rulings. The study also includes a comparative legal analysis of international standards and Thailand's trade obligations under international agreements. The findings reveal that although the tax regime for CBU vehicles is clearly prescribed under Thai law, significant loopholes remain. These loopholes allow importers to misclassify vehicles—for instance, by importing them as completely knocked down (CKD) kits or semi-assembled units—despite the fact that such vehicles require only minimal assembly before use. This practice results in substantial revenue loss for the state and undermines fair competition in the domestic automobile market. The study recommends that relevant legal definitions and classification criteria for imported vehicles be revised to reflect the technical and functional realities of the vehicles. Moreover, greater coordination among regulatory agencies is necessary to ensure consistent enforcement. The development of interpretive guidelines that address evolving forms of tax avoidance is also essential to uphold tax equity and safeguard public fiscal interests.

Keywords:

Import tax, Completely Built-Up vehicles, Tax avoidance, Customs law, Legal measures.