Law Journals
A Treasure Trove of Legal Knowledge.

Journal of Taxation and Regulatory Framework
Volume 1, Issue 1
(January-June)
www.stmjournals.com

Medical Service Tax: View from Thai Context

Rujittika Mungmunpuntipantip[1,] *, Viroj Wuwanitkit[2], Ikeji-Arakeji[3]
[1]Research Scholar**,** 26 Medical Center, Bangkok, Thailand
[2]Adjunct Professor, Joseph Ayobabalola University, Ilara-Mokin, Nigeria
[3]Honorary Professor, Dr DY Patil University, Pune, Maharashtra, India

Abstract

Taxation is the basic legal way that the local government in any national implements for gathering the money for national budget. Some specific occupations have specific interesting legal taxation control. Here, the authors specifically discussion in medical service tax. The medical service provided by medical personnel is usually considered a specific kind of occupation. The specific regulations might be seen. The situation in Thailand, a tropical country in Southeast Asia is hereby presented.

Keywords: *law, medical, service, tax*

****Author for Correspondence*** E-mail: rujittika@gmail.com

INTRODUCTION

Tax is the basic income of any government around the world. The local government usually set the tax protocols for legal control of taxation system. Some specific control might be levied for specific groups of population. The local people with special occupations might be manipulated by specific tax laws. The special laws are usually assigned based on the specific nature of those specific occupations. This situation is very interesting and becomes the topic for further study in laws.

Of several occupations, the medical personnel are considered an interesting group. This group usually has high income, but this group also has high investment cost. The tax for the medical personnel is interesting issue and widely discussed in the literature [1–11] (see important reports in Table 1).

Here, the authors specifically discussing on medical service tax. The specific situation in Thailand, a tropical country in Indochina, is hereby presented and summarized (7–12).

MEDICAL SERVICE TAX IN THAILAND

Medical personnel who give medical service is usually considered the specific group of people that has high income. However, the medical personnel have to work hard and pay a lot for medical fund for operating the medical service. The special issue on medical service tax should be mentioned. In Thailand, the medical service tax might be applied for any medical person. One will be charged at the same rate as the others in the country. The specific related laws in Thailand on tax is "Amendment to the Revenue Code (No. 44) 2017.

However, the special discount on the net profit is given. The reduction of 60 % rate is given in general. This rate is applied for case of freelance personal tax only. The conditions that have to be fulfilled are a) the professional medical practice, b) freelance and c) not a salary. It is not applied for the case of partnership or company who perform medical service work.

DISCUSSION

Taxation for specific occupation is usually an interesting issue in tax law. The case of medical service is usually discussed. Taxation for the medical personnel is usually complex and required good studying [13, 14]. It is no doubt that the medical personnel might work harder than the other occupations. Sometimes, special discounted rate is set. The case in Thailand also follows this rule. However, an interesting issue is usually on the proper discount rate. Some might argue that the rate is too high whereas the others said that it is too low. In fact, there are various rate of reduction

in different kinds of professional. In Thailand, the rate for the medical personnel is the highest comparing to other professions such as accountant and engineer. To adjust the rate, there must be the good consensus to find the final solution. Not only the experts in law and medicine but also the experts in commerce and economics have to participate.

Table 1: *Some Important Reports on Medical Personnel and Tax.*

Authors	Details
Dean [1]	Dean discussed on the tax of the nurse [1]. Dean noted that "*Nurses who took part in an NHS training scheme could be eligible for tax rebates that may be worth thousands of pounds* [1]."
Dean [2]	Dean discussed on the tax of the nurse [2]. Dean discussed on "*how potentially thousands of nurses and other healthcare staff could be in line for rebates if they overpaid contributions while studying on Widening Access Training (WAT) scheme courses* [2]."
Harman [3]	Harman noted that "Nurses who earn income that is not taxed at source are required to complete a tax return form [3]."
Markel et al. [4]	Markel et al. noted that "*With current Medicaid rules, such a tax would increase federal matching funds and potentially reimbursement rates* [4]."
Vogel [5]	Vogel noted that "*Hundreds of doctors support controversial tax reforms* [5]."
Pope and Schwartz [6]	Pope and Schwartz discussed on "tax planning strategies for physicians [6]." Pope and Schwartz concluded that "*The categories of tax reduction strategies discussed include charitable-giving techniques, ways to maximize business deductions, shifting income to family members, education tax incentives, retirement planning, and small business tax considerations* [6]."

In addition to the appropriate rate, the way to legally control the tax payment of the medical service should also be discussed [15]. The complete tax payment is necessary, and it should cover sideline income [16–17]. How to promote good taxation practice among medical personnel is interesting. In a recent report from Iran, Pakdaman et al. noted that "*The government should create motivation for accurate and proper tax payments by physicians by providing them with various amenities. It should be clear and tangible where the government spends the taxes received from physicians, and an appropriate tax culture should be created by using the mass media* [18]."

The differences in taxation between medical care centers and conventional medical practices are observable [19–20]. At present, medical sservice business bloom around the world. In Thailand, there are also many new partnerships or companies performing medial service job. The control of illegal and disguised information aiming at low tax is not uncommon and there must be the good legal control and punishment for the unethical medial service partnerships and companies. Fine must levied to any section that perform illegal practice regarding tax payment [21]. Tax exemption should also be carefully considered for the specific medical center which is not a profit-making organization [22–25]. Howwitz noted that "*the nonprofit hospital may survive only by a continued commitment to societal and communal values, to service rather than to profit; that this commitment is adequate justification for the preservation of the nonprofit system, and its preservation will reinforce and strengthen the concept*."

CONFLICT OF INTEREST

None

REFERENCES

1. Dean E. Large tax rebates possible for thousands of nurses. *Nurs Stand*. 2016 Aug 3;30(49):7–8p.
2. Dean E. Nurses' tax rebate claims on the rise. *Nurs Stand.* 2016 Aug 10;30(50):12–3.
3. Harman T. Taxing matters. *Nurs Stand*. 2013 Apr 3;27(31):63.
4. Markel DC, Sauer PJ, Blasier RB. Is a Physician "Provider Tax" the Solution to Michigan's Medicaid Woes? *HSS J.* 2013 Oct;9(3):257–63. doi: 10.
5. Vogel L. Hundreds of doctors support controversial tax reforms. *CMAJ*. 2017 Oct 10;189(40): E1269.
6. Pope TR, Schwartz RW. Tax planning strategies for physicians. *Am J Surg.* 2002 Jul;184(1):19–25p.
7. TAX ROUNDUP for physicians—federal income tax is one of several assessment son which doctors must file returns and pay; here is how to comply with the tax laws. *Ohio State Med J*. 1957 Dec; 53(12):1454–62p.

8. Roundup for physicians; major changes in federal tax program; how and when to file reports under six classes of tax for which most physicians are responsible. *Ohio State Med J*. 1954 Dec;50(12):1163–71p.
9. TAX roundup for physicians. *Ohio State Med J*. 1951 Dec; 47(12): 1135–42p.
10. TAX roundup for physicians; provisions of Federal Income Tax, Social Security and various Ohio Tax Laws. *Ohio State Med J*. 1952 Dec; 48(12):1129–35p.
11. Annual roundup on federal, state, and local taxes for physicians. *Ohio State Med J*. 1969 Dec; 65(12): 1253–64p.
12. Annual roundup on federal, state and local taxes for physicians. *Ohio State Med J*. 1967 Jan; 63(1):75–80.
13. Moynihan DP. On the commodification of medicine. Acad Med. 1998 May; 73(5):453–9
14. Brown ER. Health USA. A national health program for the United States. *JAMA*. 1992 Jan 22–29; 267(4):552–8.
15. Johnson P, Lutter D, Tiffany SJ. Medicaid provider tax. Issue Brief Health Policy

Track Serv. 2007 Jan 8: 1–15p.

16. RATH F. Tax law evaluation of physician's revenue from a sideline activity. Dtsch Med J. 1963 Mar 20; 14: 170–1p.
17. Vayda E. Physicians in health care management: 5. Payment of physicians and organization of medical services. *CMAJ*. 1994 May 15;150(10):1583–8p.
18. Pakdaman M, Pourreza A, Sefiddashti SE, Foroushani AR, Abdoli G. Explanation of Interaction between Iranian Physicians and Government in the Field of Tax: A Qualitative Study. *Electron Physician*. 2016 Feb 25;8(2):1933–42. doi: 10.19082/1933.
19. Siegert M, Saxler G, Radermacher D, von Knoch M. Differences in taxation between medical care centers and conventional medical practices. *Gesundheitswesen*. 2007 May;69(5):303–5p.
20. Siegert M, Wasem J, von Knoch M. The legal form of "medizinische versorgungszentren". Gesundheitswesen. 2007 Apr;69(4):224–6p.
21. Millar C. Taxes, fees and fines ... Oh My! Today's FDA. 2013 Mar-Apr; 25(2):68–9p.
22. Horwitz M Corporate reorganization: the last gasp or last clear chance for the tax-exempt, nonprofit hospital? *Am J Law Med*. 1988; 13(4):527–59p.
23. Rosenbaum S, Kindig DA, Bao J, Byrnes MK, O'Laughlin C. The Value of The Nonprofit Hospital Tax Exemption Was $24.6 Billion In 2011. *Health Aff (Millwood)*. 2015 Jul; 34(7):1225–33p.
24. Merz CM, Stitzel TE. How much profit can a not-for-profit hospital make? A defense of the property tax exemption. *J Health Care Finance*. 1999 Summer; 25(4):59–66p.
25. Speizman RA, Moore VA, Mitchell AO. Proposed regs address new hospital tax-exemption requirements. *Health Financ Manage*. 2013 Mar; 67(3):112–6, 118, 120p.

Cite this Article

Rujittika Mungmunpuntipantip, Viroj Wuwanitkit, Ikeji-Arakeji**.** Medical Service Tax: View from Thai Context. *Journal of Taxation and Regulatory Framework*; 2018; 1(1): 49–51p.

