

# Chinese Taipei Recent Updates on Tax Policy and Administration

**50<sup>th</sup> SGATAR Annual Meeting**

**Mei-Chung LOU**

**Taxation Administration, Ministry of Finance**

**CHINESE TAIPEI**

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# Outline



## 1. Digital Economy



## 2. Responses to COVID-19



## 3. Tax Reforms in Response to Other Challenges

# Digital Economy



# VAT Tax Rule for the Digital Economy



**Took Effect on May 1<sup>st</sup> , 2017**



**Annual sales amount exceeds  
US\$16,000**



Foreign Suppliers having no fixed place of business within the territory of Chinese Taipei

Domestic Individuals (including foreigners consuming electronic services in Chinese Taipei)

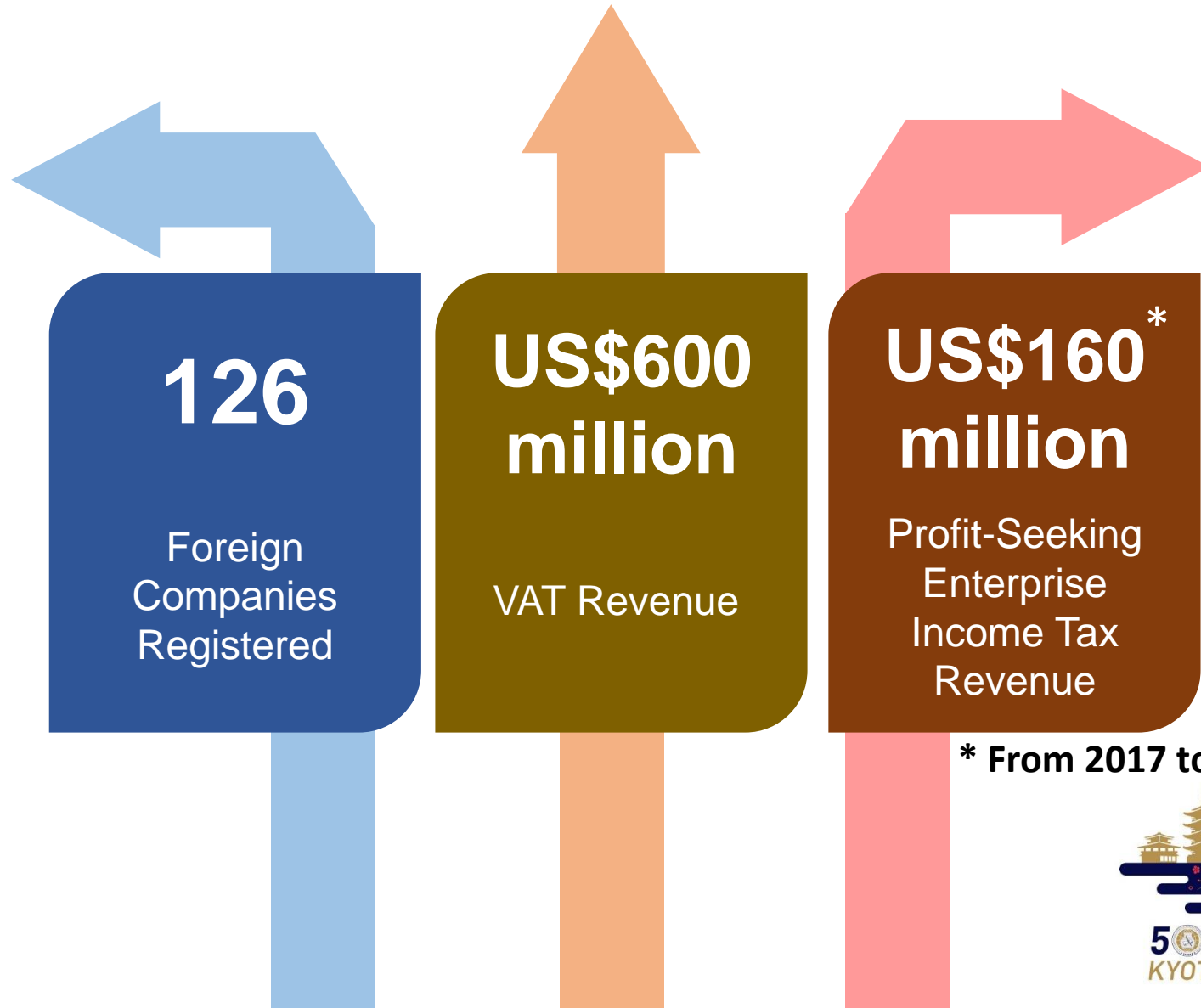
# Income Tax Rule for the Digital Economy

## ❑ Effective from 2017 Taxable Year

- New income tax regulations on cross-border electronic service transactions



# Achievements from 2017 to 2021



\* From 2017 to 2020

Responses  
to  
COVID-19



Supporting  
&  
Encouraging  
Taxpayers



Maintaining  
Operational  
Continuity

# Tax Measures in Response to COVID-19 Crisis

## □ Supporting & Encouraging Taxpayers

**01** Double deduction of salaries expenses incurred due to paid quarantine leave

**02** Subsidies and allowances received from the government exempted from income tax

**03** Reduce assessment of the sales amounts and business tax

**04** Refund of overpaid VAT

**05** Extension of the tax-filing and tax-paying periods

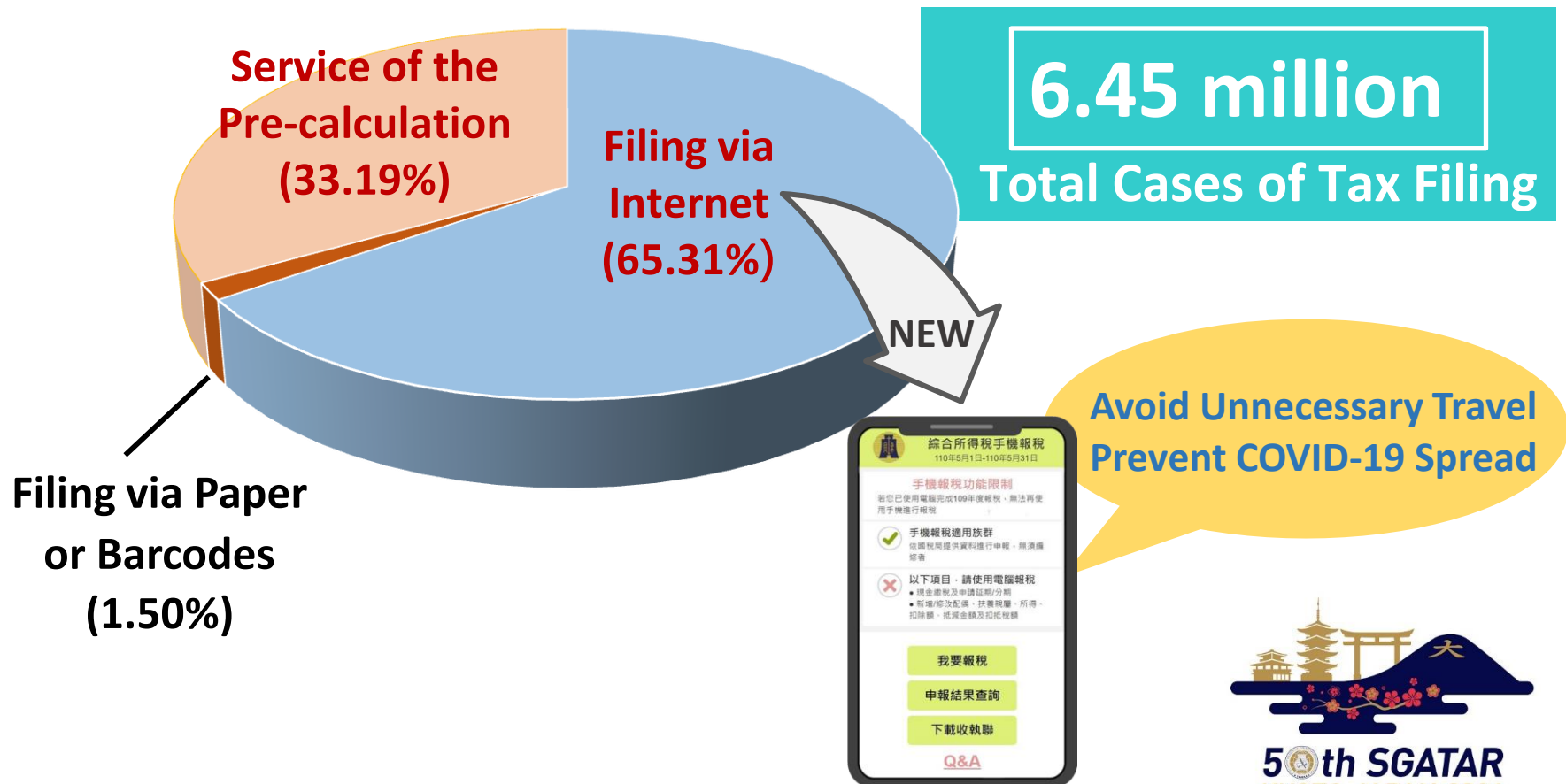
**06** Deferral and installment of tax payment



# Tax Measures in Response to COVID-19 Crisis

## □ Maintaining Operational Continuity

- 2020 Annual Individual Income Tax Return



# Tax Measures in Response to COVID-19 Crisis

## ❑ Maintaining Operational Continuity

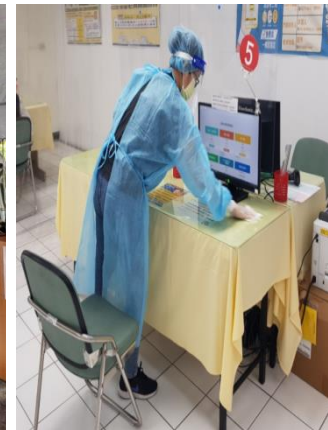
- Protective Measures for In-person Tax Filing

**1** Control the total number of visitors

**2** Provide reservation service

**3** Obey epidemic prevention measures

- One-way entrance and exit
- Wear masks, goggles, etc.
- Maintain social distancing of 1.5 meters indoors



# Tax Reforms in Response to Other Challenges



# Building a Healthy Real Estate Market

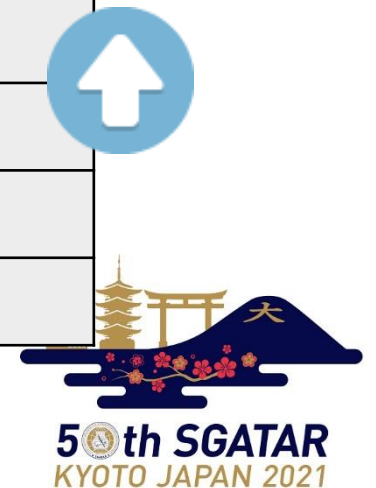
## ❑ Implement Income Tax of the House and Land (H/L) Transactions 2.0

- Amendment implemented in 2021

### ① Raise the tax rate applicable to individual short-term real estate transactions

Individual	Holding Period	Income Tax Rate	
		2016(1.0)	2021(2.0)
Resident**	no more than 1 year	45%	45%
	<b>1~2 years</b>	35%	<b>45%</b>
	<b>2~5 years</b>	20%	<b>35%</b>
	5~10 years	20%	20%
	more than 10 years	15%	15%

\*\* Non-resident: 45% within **2** years; 35% others



# Building a Healthy Real Estate Market

- ② Amend the applicable tax rate of profit-seeking enterprises deemed to be the same as an individual's

Profit-Seeking Enterprise	Holding Period	Income Tax Rate	
		2016(1.0)	2021(2.0)
The head office within the territory***	no more than 1 year	20%	45%
	1~2 years		45%
	2~5 years		35%
	more than 5 years		20%

\*\*\* Offshore company: 45% within 2 years; 35% others

- ③ Expand the scope of tax

Transactions of presale house, qualified shares or capital will be deemed as real estate transactions

# Tax Incentives for Environmental Protection

## ❑ Commodity Tax Reduction/Refund

1. Scrap used vehicles as well as purchase new ones



2. Encourage the purchase of electric-operated vehicles



3. Encourage the purchase of energy-saving electric appliances



Implementation period:

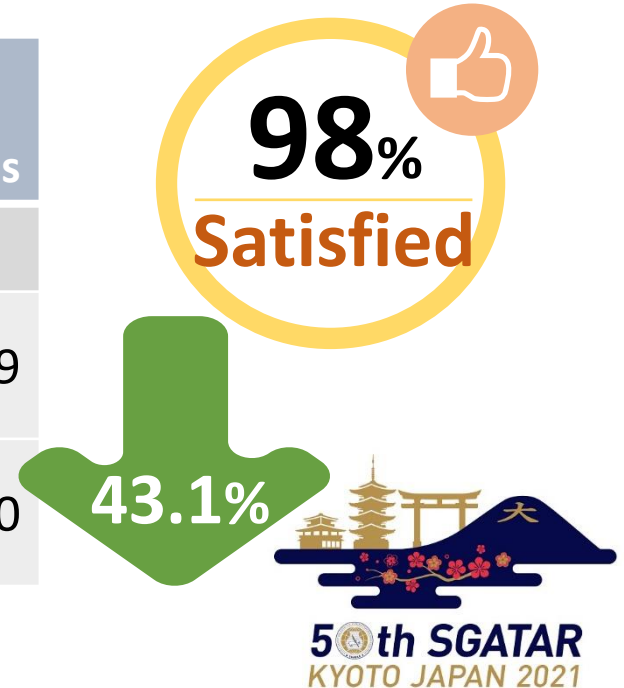
January 8, 2016 ~ January 7, 2026

# Taxpayer Rights Protection

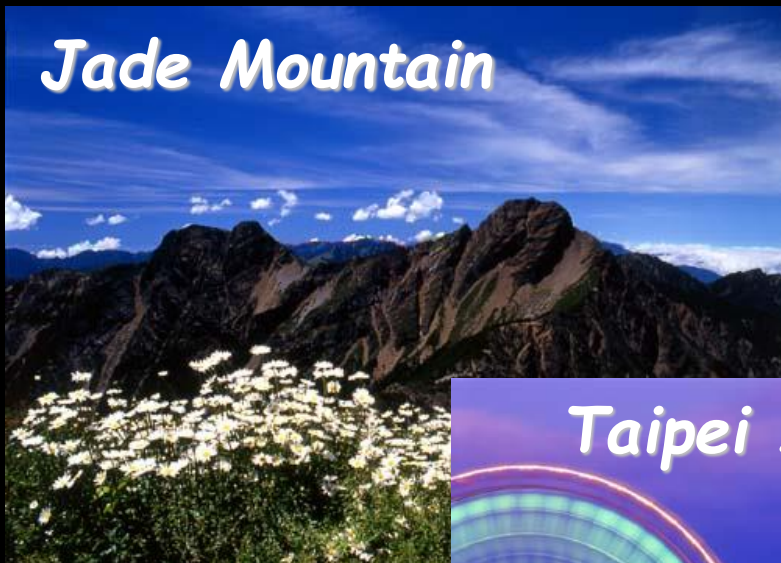
- The Taxpayer Rights Protection Act
  - Implemented on December 28, 2017
  - Takes the initiative to provide taxpayers with appropriate and necessary assistance

## □ Results

Application cases			
	Unit: cases		
Year	2018	2019	2020
Taxpayers' rights protection cases	220	427	679
Administrative remedies	4,045	2,877	2,300



*Jade Mountain*



*Ali Mountain*



*Taipei 101*



*Sun Moon Lake*



*JiaMing Lake*



# Thank You

