

# Taiwan Tax Updates

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資誠



## January 2014

### **Amendment to Income Tax Act introduces paperless system to various tax statements previously issued to resident individuals**

An amendment to the Income Tax Act has been announced by the Presidential Office on January 8, 2014 to introduce a paperless system to various tax statements (including withholding tax statements, non-withholding tax statements, dividend statements and other statements for income derived from trust property) previously issued to taxpayers, unless requested otherwise by the taxpayers. Hence, for 2014, tax withholders need not issue relevant tax statements to resident individuals by February 10, if they have filed the prescribed statements before the stipulated deadline, and the statements are incorporated in the income information query service provided by the tax office.

The Ministry of Finance has issued a newsletter to announce that administrative procedures will be accelerated so the tax withholder does not need to issue relevant tax statements by February 10, 2014. However, the current paperless system does not apply to tax statements issued to non-resident individuals, resident and non-resident profit-seeking enterprises or organizations, since the income information query service provided by the tax office currently only incorporates income information of resident individuals.

### **Dividends received shall be included in the calculation of non-deductible input VAT ratio of final VAT return for the year**

The final VAT return for 2013 (for November and December 2013) shall be filed by January 15, 2014. VAT taxpayers shall include all dividends received in 2013 (including domestic and foreign dividends, whether received in the form of cash or shares) as VAT-exempt sales when calculating the non-deductible input VAT ratio<sup>1</sup> for the final VAT return for 2013 and annual non-deductible input VAT ratio<sup>2</sup> for annual adjustment of VAT due/overpaid in the same return.

<sup>1</sup> Non-deductible input VAT ratio for the final period =  
[ (VAT-exempt sales + Sales subject to GBRT) – Sales of land ] / [ (Sales subject to 5% or 0% VAT + VAT-exempt sales + Sales subject to GBRT) – Sales of land ]

<sup>2</sup> Annual non-deductible input VAT ratio =  
[ (Annual VAT-exempt sales – Annual sales of land) + Annual sales subject to GBRT ] / [ Annual sales subject to 5% or 0% VAT + (Annual VAT-exempt sales – Annual sales of land) + Annual sales subject to GBRT ]

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The materials contained in this publication were assembled in January 2014 and were based on the law enforceable and information available as of December 31, 2013. In the event of any discrepancy between the English information contained in this newsletter and the original Chinese version of the laws or rulings announced by the government or any difference in the interpretation of the two versions, the Chinese version announced by the government shall prevail.

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## Appendix

- 日期文號： 中華民國 103 年 1 月 8 日華總一義字第 10300000621 號
- 摘 要： 茲增訂所得稅法第九十四條之一條文，並修正第一百零二條之一及第一百二十六條條文，公布之。
- 主 旨：
- 第九十四條之一 依第八十九條第三項、第九十二條第一項本文及第九十二條之一規定應填發免扣繳憑單、扣繳憑單及相關憑單之機關、團體、學校、事業、破產財團、執行業務者、扣繳義務人及信託行為之受託人，已依規定期限將憑單申報該管稽徵機關，且憑單內容符合下列情形者，得免填發憑單予納稅義務人：
- 一、納稅義務人為在中華民國境內居住之個人、在中華民國境內有固定營業場所之營利事業、機關、團體、執行業務者或信託行為之受託人。
  - 二、扣繳或免扣繳資料經稽徵機關納入結算申報期間提供所得資料查詢服務。
  - 三、其他財政部規定之情形。
- 依前項規定免填發憑單予納稅義務人者，如納稅義務人要求填發時，仍應填發。