

Taiwan Tax Update

June 2025

Value-added Tax

In response to the impact of U.S. tariff policies, the Ministry of Finance has issued guidelines for reviewing VAT refund applications

On June 4, 2025, the Ministry of Finance ("MOF") issued the "Guidelines Governing Review Process by National Taxation Bureaus for VAT Refund Applications Due to Impact of U.S. Tariff Policies" (hereinafter "Guidelines"). The Guidelines aims to assist businesses experiencing operational difficulties due to U.S. tariff policies by expediting refund of overpaid VAT up to TWD 300,000. National taxation bureaus will adhere to the principles of a "swift, lenient and straightforward review process". The main provisions of the Guidelines are as follows:

Applicable period	Period affected by the U.S. evaluating and implementing its tariff policy
Applicable entities	Active businesses based on VAT registration status.
Applicable criteria	<ol style="list-style-type: none">1. Recipient of relief, subsidies, compensation, revitalization measures, support, or assistance, etc. provided by competent authorities in response to U.S. tariff policies; or2. Other situations where revenue has decreased due to impact of U.S. tariff policies.
Tax refund limit	The total amount of excess input VAT that can be refunded to businesses according to the Guidelines is capped at TWD 300,000.

Any remaining balance should, in principle, be carried forward as deductible VAT to offset against future VAT payable.

Application method	The application form and relevant supporting documents should be submitted to the National Taxation Bureau where the business is domiciled within the applicable period.
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PwC Reminder:

Regarding the applicable criteria which involves decrease in revenues as mentioned above, the MOF has not indicated a minimum revenue reduction percentage, which is more lenient compared to the tax refund criteria provided in response to COVID-19, which required, at a minimum, a 15% decrease in revenues. Businesses can review their operational status and apply for VAT refund within the applicable period. Separately, if the excess input VAT is used as a guarantee for supplemental taxes due or tax penalties, that portion is not eligible for VAT refund.



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