

Taiwan Tax Updates

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資誠



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Nationals from Mainland China cannot utilize the “Guideline Defining Foreign Professionals Eligible for Tax Benefits”

Foreign professionals engaged in specialized and technical services, and who serve a managerial role in a foreign investment approved Taiwan company in accordance with Article 46 of the Employment Service Act are eligible for tax benefits provided under the Guideline Defining Foreign Professionals Eligible for Tax Benefits (the “Guideline”). On the other hand, Mainland China nationals may work in Taiwan if they obtain approval from the competent authorities in accordance with the Regulation Governing Multi-national Company’s Application to Transfer Nationals from Mainland China to Work in Taiwan (the “Regulation”). Since the Guideline for foreign professionals excludes professionals from Mainland China, who follow the above Regulation, payments made by Taiwan profit-seeking entities for Mainland Chinese employee’s utilities, cleaning fee, telephones bills, and consumables shall constitute the said employee’s taxable income.

Exchange rates used for calculating foreign tax credits due on income tax paid in foreign countries

Tax Ruling Tai-Tsai-Shuei No. 10200074100 issued on October 1, 2013 stipulates that when Taiwan profit-seeking entities calculate foreign tax credits derived from income tax paid in other countries in accordance with Article 3 of the Income Tax Act, the equivalent New Taiwan Dollar amount should be calculated based on the below formula:

Income tax paid in foreign currency of the source country X exchange rate on the date of payment

If income tax paid in a foreign country is subsequently assessed by the tax authorities in the source country, which leads to additional tax payments or tax refunds, the amended foreign tax credit will be calculated as follows:



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Additional Tax Payment	Additional tax paid in the source country \times exchange rate on subsequent payment date + foreign income tax originally paid \times exchange rate on original payment date
Tax Refund	Reduced foreign income tax paid after assessment \times exchange rate on original payment date

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Appendix

- 日期文號： 中華民國 102 年 10 月 01 日台財稅字第 10200074100 號
- 摘 要： 核釋所得稅法第 3 條第 2 項但書「已依所得來源國稅法規定繳納之所得稅」換算為新臺幣金額之匯率。
- 主 旨： 一、所得稅法第 3 條第 2 項但書規定之「已依所得來源國稅法規定繳納之所得稅」係指依所得來源國稅法規定，以該國貨幣繳納之所得稅，按實際繳納稅款日之匯率換算為新臺幣之金額。
- 二、營利事業依前項規定計算繳納之所得稅，倘經所得來源國稽徵機關核定變更，致生補、退稅情事者，應重新計算「已依所得來源國稅法規定繳納之所得稅」：
- （一）補稅：應以所得來源國稽徵機關核定之補稅金額，按實際補繳日之匯率計算，併計前項原繳納之國外稅款。
- （二）退稅：應以所得來源國稽徵機關核定變更後實際按該國貨幣繳納之所得稅，依原繳納國外稅款日之匯率重新計算。