
Contents

About Wolters Kluwer Hong Kong Limited.....	iii
About the Technical Reviewer	v
Foreword	xiii
Chapter	
1 Introduction.....	1
2 Individual and Profit-seeking Enterprise Income Taxes	75
3 Individual Income Tax.....	103
4 Withholding Tax	153
5 Indirect Taxes	165
6 Customs Duty	189
7 Commodity Tax	215
8 Stamp Tax	225
9 Transfer Pricing.....	233
10 Individual Estate and Gift Tax.....	287
11 Gift Tax	303
12 Land Value Tax.....	317
13 Land Value Increment Tax.....	331
14 Building Tax	347
15 Deed Tax	359
Section Finding List.....	365

Detailed Table of Contents

About Wolters Kluwer Hong Kong Limited	iii
About the Technical Reviewer	v
Foreword	xiii
 Chapter 1 INTRODUCTION	
TAIWAN'S TAX SYSTEM	
Overview of Taiwan's tax system	¶1-010
Income taxes	¶1-020
Tax law classification.....	¶1-030
Tax authorities.....	¶1-040
National and municipal taxes	¶1-050
Government tax incentives.....	¶1-060
Imputation system.....	¶1-070
TAX TREATIES AND DOUBLE RELIEF	
Overview.....	¶1-080
Withholding tax rates.....	¶1-090
Applicability of double taxation agreements	¶1-100
Sample tax treaty	¶1-110
TAX FEATURES AT A GLANCE	
Taxable income, activities and goods	¶1-120
Deductions for income tax purpose.....	¶1-130
Tax rates	¶1-140
Tax return and payment deadlines	¶1-150
 Chapter 2 INDIVIDUAL AND PROFIT-SEEKING ENTERPRISE INCOME TAXES	
PROFIT-SEEKING ENTERPRISE INCOME TAX	
Overview.....	¶2-010
CORPORATE INCOME TAX	
Definitions	¶2-020
Taxpayers	¶2-030
Tax rates	¶2-040
Taxable income.....	¶2-050
Exemptions	¶2-060
Deductions.....	¶2-070

Tax incentives	¶2-080
Imputation credit account	¶2-090
Tax payments and tax return filing	¶2-100
Investigation and assessment	¶2-110
Penalty provisions	¶2-120
SURTAX ON UNDISTRIBUTED EARNINGS	
Surtax on undistributed earnings	¶2-130
ALTERNATIVE MINIMUM INCOME TAX	
Alternative minimum income tax (AMT)	¶2-140
INVESTMENT STRUCTURE CONSIDERATIONS	
Branch v subsidiary	¶2-150
Funding options	¶2-160
Use of tax treaties	¶2-170
Source of property, plant and equipment for the business	¶2-180
Intellectual property or know-how arrangement	¶2-190
Allocation of general and administrative expenses	¶2-200
De-investment	¶2-210
Supply chain and optimal business model	¶2-220
Chapter 3 INDIVIDUAL INCOME TAX	
Overview	¶3-010
Residency status	¶3-020
Tax filing obligations	¶3-030
Taxable income	¶3-040
Exemption and deductions	¶3-050
Tax returns and payments	¶3-060
Tax calculation	¶3-070
Interest and penalties	¶3-080
Other information	¶3-090
Chapter 4 WITHHOLDING TAX	
Overview	¶4-010
Withholding tax rates	¶4-020
Time of withholding and payment	¶4-030
Penalty provisions	¶4-040
Current issues and disputes	¶4-050

Chapter 5 INDIRECT TAXES**VALUE-ADDED AND NON-VALUE-ADDED
BUSINESS TAX**

Scope of taxation	¶5-010
Taxpayers	¶5-020
Tax rates	¶5-030
Exempt items	¶5-040
Government uniform invoices (GUIs)	¶5-050
Calculation of VAT	¶5-060
VAT return filing	¶5-070
Qualified creditable VAT vouchers	¶5-080
Waiver of tax exemption	¶5-090
VAT refunds	¶5-100
Dual-status business entities	¶5-110
General and Small-Scale Taxpayer Categories	¶5-120

Chapter 6 CUSTOMS DUTY

Introduction	¶6-010
Duty-payer	¶6-020
Procedures governing customs clearance	¶6-030
Required documents for import and export	¶6-040
Customs value	¶6-050
Duty payment	¶6-060
Administrative remedies	¶6-070
Privileged duty treatment	¶6-080
Customs duty refunds	¶6-090
Special customs duty	¶6-100
Post-clearance audit and investigation	¶6-110
Penalties	¶6-120
Contraband	¶6-130

Chapter 7 COMMODITY TAX

Introduction	¶7-010
Tax scope, rates and amounts	¶7-020
Exemptions and deductions	¶7-030
Computation of taxable value	¶7-040
Returns and payments	¶7-050
Administrative remedies	¶7-060
Penalty Provisions	¶7-070
Court case	¶7-080

Chapter 8	STAMP TAX	
	Introduction.....	¶8-010
	Scope of taxation.....	¶8-020
	Taxpayers.....	¶8-030
	Tax rates.....	¶8-040
	Tax returns and payments.....	¶8-050
	Penalties.....	¶8-060
Chapter 9	TRANSFER PRICING	
	TRANSFER PRICING - RULES, CONCEPTS AND METHODS	
	Overview.....	¶9-010
	Laws and Regulations.....	¶9-020
	BASIC CONCEPTS OF TRANSFER PRICING	
	Related parties.....	¶9-030
	Arm's length principle.....	¶9-040
	Comparability of data.....	¶9-050
	Inter-quartile range.....	¶9-060
	Capital adjustments.....	¶9-070
	Types of Related Party Transactions.....	¶9-080
	FUNCTION AND RISKS	
	Characterization of enterprises.....	¶9-090
	Supply chain perspective.....	¶9-100
	METHODOLOGIES OF TRANSFER PRICING	
	Methodologies of transfer pricing.....	¶9-110
	Comparable uncontrolled price method.....	¶9-120
	Comparable uncontrolled transaction method.....	¶9-130
	Resale price method.....	¶9-140
	Cost plus method.....	¶9-150
	Comparable profit method.....	¶9-160
	Profit split method.....	¶9-170
	Disclosure criteria for related parties and related party transactions.....	¶9-180
	Transfer pricing contemporaneous documentation.....	¶9-190
	Transfer pricing investigation and audit Audit target.....	¶9-200

	Advance pricing agreements (APAs).....	¶9-210
	Transfer pricing-related tax update.....	¶9-220
	Trends of transfer pricing audit in Taiwan.....	¶9-230
Chapter 10	INDIVIDUAL ESTATE AND GIFT TAX	
	ESTATE TAX	
	Introduction.....	¶10-010
	Scope of Taxation.....	¶10-020
	Taxpayers.....	¶10-030
	Tax Rate.....	¶10-040
	Assets subject to estate tax.....	¶10-050
	Exemption and Deductions.....	¶10-060
	Calculation of Estate Tax.....	¶10-070
	Estate tax return.....	¶10-080
	Payment of estate tax.....	¶10-090
	Penalties.....	¶10-100
	Example.....	¶10-110
Chapter 11	GIFT TAX	
	Introduction.....	¶11-010
	Scope of Taxation.....	¶11-020
	Taxpayers.....	¶11-030
	Tax rate.....	¶11-040
	Taxable Gift Amount.....	¶11-050
	Transfer of Trust Interest.....	¶11-060
	Exemptions and Deductions.....	¶11-070
	Calculation of Gift Tax.....	¶11-080
	Gift tax return.....	¶11-090
	Payment of gift tax.....	¶11-100
	Penalties.....	¶11-110
	Example.....	¶11-120
Chapter 12	LAND VALUE TAX	
	Introduction.....	¶12-010
	Application of land value tax.....	¶12-020
	Land subject to land value tax.....	¶12-030
	Tax calculation.....	¶12-040
	Exemptions.....	¶12-050
	Land value tax return.....	¶12-060
	Penalties.....	¶12-070
	Example.....	¶12-080

Chapter 13	LAND VALUE INCREMENT TAX	
	Introduction.....	¶13-010
	Application of LVIT.....	¶13-020
	Land subject to LVIT	¶13-030
	Tax Rate.....	¶13-040
	Exemptions.....	¶13-050
	Tax return.....	¶13-060
	Penalties	¶13-070
	Examples.....	¶13-080
Chapter 14	BUILDING TAX	
	Introduction.....	¶14-010
	Application of building tax	¶14-020
	Buildings subject to building tax.....	¶14-030
	Tax base and Tax rate	¶14-040
	Tax base and Tax rate	¶14-050
	Payment of building tax	¶14-060
	Collection period of building tax	¶14-070
	Penalties and surcharge.....	¶14-080
	Example.....	¶14-090
Chapter 15	DEED TAX	
	Introduction.....	¶15-010
	Application of Deed tax.....	¶15-020
	Tax rate.....	¶15-030
	Exemptions.....	¶15-040
	Reduction.....	¶15-050
	Deed Tax Return	¶15-060
	Penalties	¶15-070
	Example.....	¶15-080