Content

Title：	Regulations for Allocation of Centrally-Funded Tax Revenues Ch
Date：	2021.05.31
Legislative：	1.Promulgated on June 30, 1999 per Order No. Tai-Tsai-Ku-881876744 of the Ministry of Finance. 2.Article 4, 7, 9, 10, 15 and 17 were amended, and Article 11-1 was augmented and promulgated on August 24, 2000 per Order No. Tai-Tsai-Ku-0890053917 of the Ministry of Finance. 3.Article 5, 8, 10, 11, 11-1, 15 and 17 were amended and promulgated on September 7, 2001 per Order No. Tai-Tsai-Ku-0900051239 of the Ministry of Finance. 4.Article 17 was amended and promulgated on August 15, 2002 per Order No. Tai-Tsai-Ku- 0910045725 of the Ministry of Finance. 5.Article 10 and 17 were amended and promulgated on September 16, 2003 per Order No.Tai-Tsai-Ku-0920053584 of the Ministry of Finance. 6.Article 9 and 17 were amended and promulgated on August 26, 2004 per Order No.Tai-Tsai-Ku-0930042277 of the Ministry of Finance. 7.Article10 and 17 were amended and promulgated on August 23, 2005 per Order No.Tai-Tsai-Ku-Tze-09400379320 of the Ministry of Finance. 8.Article 3, 7, 13, 15 and 17 were amended and promulgated on August 14, 2006 per Order No.Tai-Tsai-Ku-Tze- 09503511640 of the Ministry of Finance. 9.Article 3, 4, 6, 7, 8, 13 and 17 were amended and promulgated on August 31, 2007 per Order No.Tai-Tsai-Ku-Tze- 09600376380 of the Ministry of Finance. 10.Article 17 was amended and promulgated on September 3, 2008 per Order No.Tai-Tsai-Ku-Tze- 09703514610 of the Ministry of Finance. 11.Article 13, 15 and 17 were amended and promulgated on September 16, 2009 per Order No.Tai-Tsai-Ku-Tze- 09803520100 of the Ministry of Finance. 12.Article 7, 8, 9, 13 and 17 were amended and promulgated on September 7, 2010 per Order No.Tai-Tsai-Ku-Tze- 09900355300 of the Ministry of Finance. 13.Article 10 and 17 were amended and promulgated on August 15, 2011 per Order No.Tai-Tsai-Ku-Tze- 10000308150 of the Ministry of Finance. 14.Article 17 was amended and promulgated on August 22, 2012 per Order No.Tai-Tsai-Ku-Tze- 10103694620 of the Ministry of Finance. 15.Article 4, 8 and 10 were amended and promulgated on March 4, 2013 per Order No.Tai-Tsai-Ku-Tze- 10203624420 of the Ministry of Finance. 16.Article 17 was amended and promulgated on August 14, 2013 per Order No.Tai-Tsai-Ku-Tze- 10203704760 of the Ministry of Finance. 17.Article 7, 13, 15 and 17 was amended and promulgated on June 20, 2014 per Order No.Tai-Tsai-Ku-Tze- 10303684910 of the Ministry of Finance. 18.Article 17 was amended and promulgated on July 13, 2015 per Order

No.Tai-Tsai-Ku-Tze- 10403704600 of the Ministry of Finance.

19.Article 10 and 17 was amended and promulgated on July 20, 2016 per Order No.Tai-Tsai-Ku-Tze- 10503705010 of the Ministry of Finance.

20.Article 17 was amended and promulgated on August 4, 2017 per Order No.Tai-Tsai-Ku-Tze- 10600634850 of the Ministry of Finance.

21.Article 17 was amended and promulgated on June 26, 2018 per Order No.Tai-Tsai-Ku-Tze- 10703699670 of the Ministry of Finance.

22.Article 17 was amended and promulgated on July 3, 2019 per Order No.Tai-Tsai-Ku-Tze- 10803698300 of the Ministry of Finance

23.Article 9、13、15 and 17 was amended and promulgated on August 5, 2020 per Order No.Tai-Tsai-Ku-Tze- 10900631760 of the Ministry of Finance

24.Article 17 was amended and promulgated on May 31, 2021 per Order No.Tai-Tsai-Ku-Tze- 11003683700 of the Ministry of Finance

Content：

Article 1　The regulation is adopted pursuant to the provision of Paragraph 2 of Article 16-1, the Act Governing the Allocation of Government Revenues and Expenditures (hereinafter referred to as “the Act”).

Article 2　The competent authority referred to in the Regulation shall be the Ministry of Finance.

Article 3　The sources of the centrally-funded tax revenues (hereinafter referred to as “the Tax Revenues”) are as follows:

1.The funds listed in Paragraph 2, Article 8 of the Act are as follows:
Ten percent (10%) of total income tax revenue.
Forty percent (40%) of total business tax revenue minus the uniform invoice prize fund, appropriated in accordance with relevant regulations.
Ten percent (10%) of total commodity tax revenue.

2.Twenty percent (20 %) of the land value increment tax revenue levied in the county (city) level, excluding counties which enjoy the status of a municipality , in accordance with Paragraph 2 of Article 12 of the Act.

3.Other revenues.

Article 4　The definitions of the terms used in the Regulation are as follows:

1.The most recent year: Refers to the most recent year in which the information needed for various calculation formulas specified in the Regulations is available.

2.Final determined figure: In municipality and county (city), it refers to the final determined figure examined and determined by the auditing organization. In townships, it refers to the final determined figure examined and approved by the representatives of the townships

3.Amount of business sales: Refers to the total sales of all the businesses in the district governed by each local government.

4.Land area: Refers to the number calculated from the following formula: Land area administered by each local government=Land area registered by the land authority + (Area of administered district - Land area registered by the land authority)×20%〔When the result of (Area of administered district - Land area registered by the land authority) is negative, use zero (0) for calculation〕

5.Self-financing resources：Refers to the amount of final determined revenue figure, for the year, subtracting the Tax Revenues and the subsidy revenue.

6.Personnel expenses for formal civil servants: Refers to the sum of various personnel expenses for formal civil servants including:
(1)Salary
(2)Allowance
(3)Allowance for living expenses
(4)Benefits

(5)Pensions
(6)Insurance expenses
7.Counties which enjoy the status of a municipality：Refers to counties which apply Article 4 and 66 of the Local Government Act concerning national taxes, municipality taxes and county(city) taxes which shall be allocated to municipalities.

Article 5　In the various calculation formulas specified in the Regulation, the evaluation of the amount of business sales, population figures, numbers in various industries, land area, and expenditures on social welfare is based on statistical data compiled by related authorities of central government.
When the competent authority requests each local government to provide the data needed for various calculation formulas in the Regulation, each local government should complete the relevant forms accurately and submit basic documents to the competent authority for verification.
In the various calculation formulas stipulated in the Regulations, when there arises incompleteness or disagreements related to various final determined figures and data in the two aforementioned paragraphs, the competent authority will identify and evaluate relevant materials based on the principles of uniformity or equity.

Article 6　Based on the requirements in Subparagraph 1 and Subparagraph 2 of Paragraph 2 under Article 16-1 of the Act, the Tax Revenues are classified into the following two categories:
1.The special centrally-funded tax revenues: Six percent (6%) of the total funds in Subparagraph 1 of Article 3 and the total funds in Subparagraph 3 under the same Article.
2.The general centrally-funded tax revenues: The remaining fund, after subtracting the special centrally-funded tax revenues from the Tax Revenues.

Article 7　The amount allocated to each level of local government from the general centrally-funded tax revenues should be calculated as follows:
1.For the fund under Subparagraph 1 of Article 3, sixty-one point seven six percent (61.76%) of the total amount is allocated to the municipalities, twenty-four percent (24%) is allocated to the counties (cities), and eight point two four percent (8.24%) is allocated to the townships.
2.The fund in Subparagraph 2 of Article 3 is allocated wholly to the counties (cities).
Counties which enjoy the status of a municipality shall participate in allocation of municipalities.

Article 8　According to the provision in Subparagraph 4 of Paragraph 2, Article 16-1 of the Act, the amount allocated to each municipality from the general centrally-funded tax revenues shall base on the following indexes and weights to calculate the ratio of allocation to each municipality and county which enjoys the status of a municipality:
1.The ratio of the average amount of business sales within each municipality and county which enjoys the status of a municipality in the recent three years to the total average amount of all municipalities and counties which enjoy the status of a municipality. The weight is fifty percent (50%).
2.The ratio of the total population within each municipality and county which enjoys the status of a municipality in the recent one year to the total population of all municipalities and counties which enjoy the status of a municipality. The weight is twenty percent (20%).
3. The ratio of the land area within each municipality and county which enjoys the status of a municipality to the total land area of all municipalities and counties which enjoys the status of a municipality. The weight is twenty percent (20%).
4.The average financial capability of each municipality and county which enjoys the status of a municipality in the recent three years. The weight is ten percent (10%). The formula for calculating financial capability is

as follows:

The financial capability of each municipality and county which enjoys the status of a municipality＝(The population figures within each municipality and county which enjoys the status of a municipality × The total average of self-financing resources per person of all municipalities and counties which enjoy the status of a municipality ÷ self-financing resources per person of each municipality and county which enjoys the status of a municipality) ÷ the sum of the calculated values, according to the calculation in the preceding parenthesis, of all municipalities and counties which enjoy the status of a municipality.

The amount of business sales, the population and the land area of counties which enjoy the status of a municipality in Subparagraphs 1, 2 and 3 of the preceding Paragraph respectively shall be calculated with seventy percent (70 %). While calculating the self-financing resources in the financial capability formation, the self-financing resources of counties which enjoy the status of a municipality shall include self-financing resources of their own townships plus twenty percent (20 %) of the land value increment tax levied in counties which enjoy the status of a municipality when calculating data before the year of the upgrading.

The data used to calculate the allocation ratio in the preceding paragraph for a special municipality formed upon the merger of a special municipality, county and city in accordance with Article 7-1 of the Local Government Act, shall be the sum of all data prevailing prior to the merger. Where the amount of self-financing resources, a component of financial capability of a special municipality as described in Subparagraph 4 of the preceding paragraph, is calculated based on the data of the respective special municipality, county or city for the year prior to the merger/change, the amount of self-financing resources for a county or city prior to the change shall also include 20% of the land value increment tax levied on its own county or city; or for a county, the self-financing resources of its own townships.

Article 9　According to the requirements in Subparagraph 5 of Paragraph 2 under Article 16-1 of the Act, the amount allocated to each county (city) from the general centrally-funded tax revenues should be based on a ratio calculated as follows:

1.Eighty five percent (85%) of the total allocable amount is allocated to each county (city) based on a ratio calculated from the average of the difference between the amount of basic fiscal needs and the basic fiscal revenues of each allocated county (city) in the most recent three years to the sum of the average of this difference for all the counties (cities). The allocation rate is examined and adjusted every three years.

2.Fifteen percent (15%) of the total allocable amount is allocated to each county (city) based on a ratio calculated from the amount of business sales within each county (city) in the most recent year to the amount of businesses sales of all the counties (cities).

The sum of the basic fiscal needs of a county is calculated from the total amount of the following funds. The sum of basic fiscal needs of a city is 1.15 times the sum of the following funds:

1.The final determined figure of personnel expenses for formal civil servants and basic office expenses, and overtime pay of formal police officers and fire fighters.

2.The social benefit expenditures that should be funded by each county (city) government, according to related requirements of the Statute of Farmers' Health Insurance, and the Distribution Guidelines for Living Allowance for Senior Citizens of Semi-Low Income.

3.Fund for basic construction.

The basic office expenses in subparagraph 1 of the preceding Paragraph should be calculated following the rule: multiplying the number of formal civil servants by the amount business expenses in the Budget Standards for Common Items formulated by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan.

The total amount to be allocated to all counties (cities) in the current

year for basic construction, aforementioned in Subparagraph 3 of Paragraph 2, should be calculated in accordance with the following formula:
The total amount to be allocated to all counties (cities) in the current year for basic construction ＝〔(Forty percent (40%) of the difference between the actual levied total business tax revenue nationally and the uniform invoice prize fund , appropriated in accordance with related regulations＋ten percent (10%) of the actual levied income tax nationally ＋ ten percent (10%) of the actual levied commodity tax nationally)×24%＋ twenty percent (20%) of the land value increment tax actually levied in all counties (cities)〕×85%×20%
The total amount of the basic construction fund to be allocated to all counties (cities), calculated in accordance with the preceding formula, is allocated to each county (city) based on the following indexes and weights and is included in the amount of basic fiscal needs. The indexes and weights to calculate the allocation quota for each county (city) are as follows:
１.The population ratio within each county (city) to the total population of all counties (cities). The weight is thirty-five percent (35%).
２.The ratio of land area within each county (city) to the total land area of all counties (cities). The weight is thirty-five percent (35%).
３.The ratio of the population employed in the agriculture, forestry, fish and animal husbandry within each county (city) to the total population above in all counties (cities). The weight is fifteen percent (15%).
４.The ratio of the population employed in industry within each county (city) to the total population above in all counties (cities). The weight is fifteen percent (15%).
The amount of basic fiscal revenues in Subparagraph 1 of Paragraph 1 refers to the final determined figure of tax revenue subtracting the centrally-funded tax revenues and the tax revenues levied in accordance with the general provisions of the Act Governing Local Tax Regulations. The difference between the basic fiscal revenues in Kimen County and Lienchiang County of Fujian Province, should excluded tobacco and liquor tax revenue.

The difference between the amount of basic fiscal needs and the basic fiscal revenues of each allocated county (city) in the most recent three years in Subparagraph 1 of Paragraph 1 should be calculated for each individual year, then the average should be calculated. When the figure for a certain year is negative, use zero for the calculation.

Article 10　According to the requirements in Subparagraph 6 of Paragraph 2 under Article 16-1 of the Act, the amount allocated to each township from the general centrally-funded tax revenues should be based on the ratio, which is calculated as follows:
1.The personnel expenses for formally specified staff are fifty percent (50%) of the total allocable amount. It should be allocated in accordance with the following regulations:
(1)First, calculating the average of the self financing resources of each township in the most recent three years, adding subsidies granted by the provision of Paragraph 4 of Article 11 of the Value-added and Non-valued-added Business Tax Act and Article 58-1 of the Estate and Gift Tax Act and, subtracting local tax revenue imposed by the Act Governing Local Tax Regulations, special assessment, property revenues, the revenues from public manufacturing businesses that are approved to be subtracted, and the feedback fund that has designated functions. Second, calculating the average of the final determined personnel expenses of each township for the formally specified staff in the most recent three years divided by the actual number of staff and multiplied by the amount for formally specified staff. The amount that the first average is less than the second average is covered first.
(2)The remaining amount, after the previous allocation, is further allocated based on the average of the final determined personnel expenses of each township for the formally specified staff in the most recent three years, divided by the actual number of staff and multiplied by the amount for formally specified staff, then multiplied by the ratio of the sum of previous average for all townships.
2.As to the allocation for the needs of basic construction, it should be

allocated as follows:
(1) Thirty percent (30%) of the total allocable amount is divided evenly and allocated to each township. However, the allocated amount for each township should not exceed thirty percent (30%) of the average of the annual final determined figure in the most recent three years.
(2) Ten percent (10%) of the total allocable amount is allocated based on the ratio of the population figure within the jurisdiction of each township in the most recent year to the total population figures of all townships. For the population figure in the outlying islands, a weight of two hundred percent (200%) should be added.
(3) Ten percent (10%) of the total allocable amount is allocated based on the ratio of the land area within the jurisdiction of each township to the total land area of all townships. For outlying islands, a weight of two hundred percent should be added (200%).
For the revenues from public manufacturing businesses that are approved to be subtracted in Item 1 of Subparagraph 1 under preceding Paragraph, when the revenues and expenses are included in official budgets, seventy percent (70%) of the revenues should be included for calculation, or when compiling a budget for subsidiary agencies, the calculation is based on the final determined figure of net earnings that contributes to the official budget.
The feedback fund that has designated functions in Item 1 of Subparagraph 1 under Paragraph 1 is limited to the disbursement of personnel expenses other than the disbursement for formally specified staff, after examination and confirmation by each county government.
The final determined personnel expenses for formally specified staff, aforementioned in Item 1 and Item 2 of Subparagraph 1 under Paragraph 1, is calculated separately based on whether they are office employees or labor employees.
After the calculation from the formula in Paragraph 1, if the allocated amount of each township is less than the appropriated amount for each township received from the county under the original 1999 Province Collectively Allocated Tax Revenues for Taiwan Province, the allocated ratio to each township should be adjusted to cover the difference. The ratio for other townships will be consequently reduced.

Article 11　According to the allocation ratio of each local government for the general centrally-funded tax revenues calculated from the requirements in the three preceding articles, the competent authority should calculate the amount allocated to each local government based on the estimated amount of the Tax Revenues for the following year and notify the allocated local governments four months before the beginning of the fiscal year to include the amount in their budget.
The aforementioned estimated amount for the following year refers to the amount in Subparagraph 1 of Article 3 estimated with related tax revenue in the total budgets proposed for the following year by the central government and the amount in Subparagraph 2 of Article 3 estimated by the central competent authority.

Article 11-1　Before the competent authority notifies the allocated local government regarding the allocated amount, based on the requirements in the preceding articles, or if errors in the data used for calculation are discovered, a meeting must be held to verify the data for calculation and to resolve any controversial problems.

Article 12　The special centrally-funded tax revenues shall be distributed to local governments in the event of emergencies or catastrophes. After the competent authority reports to and receives approval from the Executive Yuan, it must notify the allocated local governments to include the fund in their budget.

Article 13　The Tax Revenues should be deposited in a specially designated account in the treasury.
The income from interest in the preceding special account should be allocated as follows: sixty-five percent (65%) to municipalities, twenty-five percent (25%) to counties (cities), and ten (10%) to townships.
Counties which enjoy the status of a municipality shall

participate in allocation of municipalities.

Article 14　For the Tax Revenues that is collectively allocated by the central government, the organization that levies the tax should submit to the designated account for the Tax Revenues on the day or the following day of its completion of the compilation and calculation. The compilation and calculation should be performed at least once every week.

Article 15　The general centrally-funded tax revenues are appropriated by the competent authority to allocated local governments every month and are based on the principle of average appropriation. However, the competent authority should adjust the appropriated amount in the last or the last two months before the end of the current fiscal year, based on the actual revenue in the general centrally-funded tax revenues.

When the general centrally-funded tax revenues are appropriated and allocated to local governments of the preceding Paragraph, the competent authority should deduct the amount notified by the Ministry of Civil Service and the Ministry of Education for appropriating to the Public Service Pension Fund on behalf of local governments according to the provision of Paragraph 3 of Article 102, Enforcement Rules of Civil Service Retirement, Severance, and Survivor Relief Act, and Paragraph 3 of Article 102, Enforcement Rules of Act Governing Retirement, Severance, and Bereavement Compensation for the Teaching and Other Staff Members of Public Schools.

The condition of the actual revenue related to the Tax Revenues should be posted to related web sites monthly by the competent authority. The Executive Yuan should determine the special centrally-funded tax revenues. After the allocated local government submits evidence that the amount has been included in the budget and other related evidence to the competent authority, the competent authority shall appropriated the special centrally-funded tax revenues to local government.

Article 16　The accounting affairs of the Tax Revenues shall comply with relevant regulations.

Article 17　The implementation period for the regulation is from January 1, 2022 to December 31, 2022.

Files： Regulations for Allocation of Centrally-promulgated on May 31, 2021.pdf

Data Source：Ministry of Finance, R.O.C. Laws and Regulations Retrieving System