

Content

Title :	The Scope of Application for Tax Preferences Provided to Foreign Professionals 
Date :	2024.01.11
Legislative :	1.Promulgated by Decree No.09600511820 issued by the MOF on 8 January 2008. 2.Amended and promulgated by Decree No. 09804119810 issued by the MOF on 12 March 2010. 3.Amended and promulgated by Decree No.11204616990 issued by the MOF on 11 January 2024.
Content :	<p>1. To accelerate the internationalization of the economy of the Republic of China and encourage foreign professionals to serve in the Republic of China, specific guidelines are established for the application of tax preferences for foreign professionals.</p> <p>2. The term "foreign professional" as mentioned in this Scope refers to foreign professionals engaged in professional work specified in Point 4 of this Scope within the Republic of China. This excludes individuals holding dual nationality with the Republic of China and another country.</p> <p>3. The tax preferences specified in this Scope denote that payment made in accordance with the content of an employment contract by any organization, institution, school, enterprise, or professional practitioner, (hereinafter referred to as "the employer") which hires foreign professionals may be claimed as expenses, such as the round trip air fare of the foreign professional and his/her family, home leave vacation pay according to the contract, home moving expenses, utility bills, cleaning bills, telephone bills, house rentals, repair costs for place of residence, and educational scholarships for children and such items may be excluded from the taxable income of the foreign professionals.</p> <p>4. The applicable subjects within this Scope refer to foreign professionals engaged in professional work defined in Subparagraphs 4, Article 4 of the Act for the Recruitment and Employment of Foreign Professionals:</p> <p>(1)Work as specified in subparagraphs 1 to 3, 5 and 6, paragraph 1 of Article 46 of the Employment Service Act.</p> <p>(2)Work as specified in subparagraphs 1 and 3, paragraph 1 of Article 48 of the Employment Service Act.</p> <p>(3)Full-time foreign language teachers in short-term tutorial schools registered in accordance with the Supplementary Education Act, or possessing specialized knowledge or skills, and designated as short-term tutorial schools teachers by the central competent authorities in consultation with the Ministry of Education.</p> <p>(4)Teachers of a subject other than a foreign language in a special class established by the Ministry of Education for enrolling the children of foreign professionals, foreign specialist professionals, and foreign senior professionals.</p> <p>(5)Work in teaching academic subject or foreign language courses, teacher training, curriculum development, and activity promotion, as specified in the Enforcement Act for School-based Experimental Education, the Act Governing the Commissioning of the Operation of Public Schools at Senior High School Level or Below to the Private Sector for Experimental Education, and the Enforcement Act for Non-school-based Experimental Education at Senior High School Level or Below.</p> <p>5. Foreign professionals eligible for tax preferences under Point 3 in this Scope are required to reside within the territory of the Republic of China for 183 days or more in a taxable year, and their yearly taxable salaries, received from both domestic and foreign employers, must amount to at least NT1,200,000. However, the yearly taxable salaries of those employed for special needs and approved as a special case by the Ministry</p>

of Finance are not limited to be NT1,200,000 or more.

For foreign professionals mentioned in the preceding paragraph who reside in the Republic of China for less than a full taxable year, the yearly taxable salaries annualized based on the duration of their residence to the full year should still reach NT1,200,000.

6. Employers hiring foreign professionals falling within this Scope shall proceed in accordance with the following regulations:

(1)Employers hiring foreign professionals specified in Point 4 of this Scope, who apply for permission according to Article 46 and Paragraph 1, Article 48 of the Employment Service Act, shall submit the work permit document issued by the Ministry of Labor. However, those meeting any of the following conditions and providing supporting documents are exempt from this requirement:

①Engaging in work specified in Subparagraphs 4 and 5, Point 4 of this Scope, and Subparagraph 3, Paragraph 1, Article 46 of the Employment Service Act, those applying for permission according to the proviso of Paragraph 1, Article 5 of the Act for the Recruitment and Employment of Foreign Professionals from the Ministry of Education shall submit the work permit document issued by the Ministry of Education for foreign professional talent.

②Engaging in work specified in Subparagraph 2, Point 4 of this Scope, for individuals not required to apply for permission according to the provisions of Paragraph 1, Article 7 of the Act for the Recruitment and Employment of Foreign Professionals, a photocopy of the employment contract should be submitted.

③According to Article 9 of the Act for the Recruitment and Employment of Foreign Professionals, those who obtain an Employment Gold Card issued by the National Immigration Agency, Ministry of the Interior, should submit a photocopy of the Employment Gold Card.

(2)When making payments for expenses as defined in Point 3 of this Scope, employers should maintain accounting books and obtain, as well as retain, relevant documentation by the prescribed regulations.

(3)Employers who are required to file annual income tax returns, the expenses paid as defined by Point 3 of this Scope for the current year may be recognized as deductible expenses. They should also complete the "Expense Details Form for Applicability of Tax Preferences for Foreign Professionals" (format as in Appendix) and submit it along with the tax declaration

(4)Employers who are exempt from filing annual income tax returns as per regulations, the expenses paid as defined by Point 3 of this Scope for the current year should be reported and submitted as an expense details form, as shown in the preceding subparagraph, to the relevant tax authority for record-keeping by the end of January of the following year.

(5)When the tax authority conducts an investigation in accordance with the law, employers should provide the employment contracts and relevant supporting documents for examination and verification.

[Appendix] Expense Details Form for Applicability of Tax Preferences for Foreign Professionals.pdf

7.The determination of eligibility for tax preferences for foreign professionals is processed by the competent tax authority. In the case that an employer has special need in hiring foreign professionals, the Ministry of Finance will first request opinions from the relevant central competent authorities and may convene special review meetings in regard to the application.

Attachments : Appendix.pdf

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