Content

Title：	The Regulations Governing the Application of Investment Credit to Urban Renewal Entities and Assistant Implementers in the Form of a Company Limited by Shares Participating in the Renewal Projects of Urban Areas Ch
Date：	2019.10.28
Legislative：	1.Full text of 8 articles promulgated per the Order Tai-Tsai-Shuei-Tze No. 0890457348 issued by the Ministry of Finance on October 24, 2000. 2.Full text of 7 articles amended and promulgated per the Order Tai-Tsai-Shuei-Tze No. 09804519040 issued by the Ministry of Finance on April 2, 2009. 3.Full text of 8 articles amended and promulgated per the Order Tai-Tsai-Shuei-Tze No. 10400505010 issued by the Ministry of Finance on April 17, 2015; with the exception of Paragraph 2 of Article 4, which came into force on April 7, 2014, the remaining articles shall come into force on the date of promulgation. 4.Full text of 8 articles amended and promulgated per the Order Tai-Tsai-Shuei-Tze No. 10804629400 issued by the Ministry of Finance on October 28, 2019, with the title amended.
Content：	Article 1 These Regulations are enacted pursuant to Paragraph 4, Article 70 of the Urban Renewal Act (hereinafter referred to as “the Act”). Article 2 The implementer as referred to in Paragraph 1, Article 70 of the Act, which is an urban renewal enterprise organized as a company limited by shares (hereinafter referred to as the “Urban Renewal Entity”), shall mean a company limited by shares duly incorporated under the Company Act and engaged in undertaking reconstruction, renovation, or maintenance within an urban renewal area pursuant to the Act. The urban renewal area demarcated or changed by the competent authority as referred to in Paragraph 1, Article 70 of the Act, shall mean an area demarcated or changed for urban renewal pursuant to Articles 5 through 8 of the Act, and in accordance with the procedures prescribed in Article 9 of the Act. A company limited by shares, providing capital and assistance for the implementation of the urban renewal project (hereinafter referred to as the assistant implementer) as referred to in Paragraph 2, Article 70 of

the Act, shall be a company limited by shares incorporated under the Company Act. Upon the public solicitation of capital and assistance by the competent authority or an approved agency (institution), the assistant implementer shall undertake reconstruction, renovation, or maintenance within the urban renewal area in accordance with the Act.

The expenditures incurred for the implementation of an urban renewal project as referred to in Paragraphs 1 and 2, Article 70 of the Act, shall mean the planning and design expenses associated with an approved urban renewal project plan during its planning and design stage. Such expenses shall not have been granted an investment tax credit under any other laws or regulations. These expenses include:

1. Expenses associated with the preparation of urban renewal project summaries, urban renewal project plans, and rights transformation plans.
2. Administrative charges and government fees.
3. Real estate appraisal fees.
4. Architectural design fees.
5. Fees for other professional technical reports and certifications regarding renewal plans.
6. Expenses incurred for holding explanatory meetings, coordination meetings, and public hearings for urban renewal procedures.

The planning and design stage mentioned in the preceding paragraph shall span from the commencement of the project summary planning until the date the urban renewal project plan (pursuant to Paragraph 1, Article 32 of the Act) or the rights transformation plan (pursuant to Paragraph 1, Article 48 of the Act) is officially approved by the competent authority at the respective level. However, where subsequent amendments are made to a project summary, urban renewal project plan, or rights transformation plan that has already been approved, the planning and design fees incurred for such modifications shall also remain eligible for the investment tax credit.

The planning and design fees eligible for the investment tax credit under the preceding two paragraphs shall exclude any government subsidies received, and shall be based on the

amount assessed by the tax authority.

The term "reduced from its business income tax of the year in which the urban renewal project is completed," as referred to in Paragraphs 1 and 2, Article 70 of the Act, shall mean the tax credit applied to the tax payable calculated by applying the statutory tax rate to the profit-seeking enterprise income assessed by the tax authority. The aforementioned tax credit shall be utilized in the year in which the completion of the urban renewal project plan is officially approved by the competent authority.

Article 3

Urban renewal entities and assistant implementers applying for an investment tax credit under these Regulations shall, in addition to the matters specified in Article 36 of the Act, include the following information in their urban renewal project plan:

1. The name and address of the company, and the name and domicile of its authorized representative.
2. The estimated expenditure items, amounts, and timing of expenditures related to the implementation set forth in Paragraphs 4 and 5 of the preceding article.
3. The expected commencement date, construction, and estimated completion date.

Where an assistant implementer applies for an investment tax credit under these Regulations, the urban renewal project plan shall, in addition to the matters specified in the preceding paragraph, specify the responsibilities, division of labor, and scope of assistance between the competent authority or an approved agency (institution) and the assistant implementer.

When issuing the approval letter, the competent authority shall provide a copy to the tax authority. The same shall apply where the urban renewal project plan is extended or amended.

Article 4

To apply for the issuance of a certificate of investment tax credit, an urban renewal entity or an assistant implementer shall, within one year after completion of the urban renewal

project plan, submit documentation evidencing the actual expenditures incurred as set forth in Paragraphs 4 and 5 of Article 2, as well as a certificate issued by the competent authority in accordance with Article 78 of the Act. Where the urban renewal project plan was completed between April 7, 2014, and the implementation of these Regulations amendment on April 17, 2015, the required documents may be submitted within six months from the date of the implementation of the amendment.

The completion date of the urban renewal project plan referred to in the preceding paragraph shall be determined as follows:

1. For projects implemented through renovation or maintenance under Subparagraph 2 or 3 of Paragraph 1 of Article 4 of the Act: The date on which the inspection is completed or passed.
2. For projects implemented through the rights transformation method under Paragraph 1, Article 43 of the Act, or through partial joint construction agreements and partial rights transformation under Paragraph 1, Article 44 of the Act: The date of registration of transfer or cancellation as referred in Paragraph 1, Article 64 of the Act.
3. For projects implemented through joint construction agreements or other methods under the latter part of the proviso in Paragraph 1, Article 43 of the Act: The date on which the use permit is issued.

The format of the certificate of investment tax credit referred to in Paragraph 1 shall be prescribed by the central competent authority.

When issuing the certificate of investment tax credit referred to in Paragraph 1, the competent authority shall provide a copy to the tax authority.

Article 5

When applying the tax credit against the profit-seeking enterprise income tax payable as prescribed in Paragraph 1 or 2, Article 70 of the Act, urban renewal entities or assistant implementers may credit the income tax payable for

the fiscal year in which the urban renewal project plan is completed at the following percentages of the total expenditures for implementing the urban renewal project as follow. If the income tax payable for that fiscal year is less than the creditable amount, the unused credit may be carried forward for four subsequent years.

1. Urban renewal project plans completed by the predetermined completion date approved by the competent authority are eligible for a 20% credit.
2. Urban renewal project plans completed within five years after the predetermined completion date approved by the competent authority are eligible for a 10% credit.
3. Urban renewal project plans completed more than five years after the predetermined completion date approved by the competent authority are eligible for a 5% credit.

The annual amount of the investment tax credit under the preceding paragraph shall not exceed 50% of the profit-seeking enterprise income tax payable for the current year. However, this limitation shall not apply in the final year in which the credit may be claimed.

When filing the annual income tax return for a profit-seeking enterprise as prescribed in Paragraph 1, an urban renewal entity or an assistant implementer shall submit the certificate of investment tax credit together with a copy of the company registration certificate to the competent tax authority to apply for a credit against the profit-seeking enterprise income tax.

Article 6

The competent authority shall not issue, or shall revoke, the certificate of investment tax credit previously issued to an urban renewal entity or the assistant implementer under any of the following circumstances:

1. The urban renewal project plan or its supporting documents contain false or misleading information.
2. The approved urban renewal project plan is not implemented as specified.

Where the certificate of investment tax credit is revoked pursuant to the preceding paragraph, the competent authority shall notify the tax authority to carry out the necessary

procedures in accordance with the provision of the Tax Collection Act and the Income Tax Act.

Article 7
Where Paragraph 1, Article 4, as amended on April 17, 2015, is implemented, for applications for investment tax credit filed under these Regulations and for which the competent authority has not yet issued the certificate of investment tax credit, the provisions in effect at the time of application shall apply.

Article 8
These Regulations shall come into force on the date of promulgation.

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