Content

Title：	Standards of Withholding Rates for Various Incomes Ch
Date：	2016.01.06

Legislative：	History The Standards were reviewed and ratified under Decree No. 10591 issued by the Executive Yuan on December 31, 1973. The Standards were reviewed and ratified under Decree No. 9600 issued by the Executive Yuan on December 30, 1974. The Standards were amended and promulgated by Decree No. 9757 issued by the Executive Yuan on December 30, 1975 (The Standards were effective from January 1, 1976). The Standards were amended and promulgated by Decree No. 0735 issued by the Executive Yuan on January 30, 1977 (The Standards were effective from February 1, 1977). The Standards were amended and promulgated by Decree No. 0579 issued by the Executive Yuan on January 19, 1979 (The Standards were effective from January 21, 1979). The Standards were amended and promulgated by Decree No. 5161 issued by the Executive Yuan on December 31, 1980 (The Standards were effective from January 1, 1981). The Standards were amended and promulgated by Decree No. 4243 issued by the Executive Yuan on April 3, 1981. The name and contents of the Standards were amended and promulgated by Decree No. 17758 issued by the Executive Yuan on October 21, 1982. The Standards were amended and promulgated by Decree No. 6331 issued by the Executive Yuan on April 12, 1983. The Standards were amended and promulgated by Decree No. 2367 issued by the Executive Yuan on February 5, 1985. Article 3 of the Standards was amended and promulgated by Decree No. 13851 issued by the Executive Yuan on May 27, 1988. Article 2, Article 6, and Article 8 of the Standards were amended and promulgated by Decree No. 8001 issued by the Executive Yuan on March 31, 1989. Article 1 and Article 6 of the Standards were amended and promulgated by Decree No. 12221 issued by the Executive Yuan on April 15, 1991. Article 2, Article 3, and Article 8 of the Standards were amended by Decree No. 830130209 issued by the Ministry of Finance on March 23, 1994. Article 2 and Article 8 of the Standards were amended by Decree No. 870223633 issued by the Ministry of Finance on April 16, 1998. Article 2, Article 3, and Article 7 of the Standards were amended by Decree No. 04181 issued by the Executive Yuan on January 29, 1999. The Standards were amended and promulgated by Decree No. 0910043470 issued by the Executive Yuan on September 25, 2002. The Standards were amended and promulgated by Decree No. 0930001702 issued by the Executive Yuan on February 28, 2004. Article 2, Article 3, and Article 11 of the Standards were amended by Decree No. 0930032446 issued by the Executive Yuan on July 21, 2004. The Standards were amended by Decree No.09504551080 issued by the Ministry of Finance on September 7, 2006. Article 2, Article 9, and Article 11 of the Standards were amended by Decree No. 09704510980 issued by Ministry of Finance on March 5, 2008. Article 2 and Article 3 of the Standards were amended by Decree No. 09800011120 issued by Ministry of Finance on January 16, 2009. The Standards were amended by Decree No.09804570160 issued by the Ministry of Finance on October 28, 2009. Article 2 and Article 14 of the Standards were amended by Decree No. 09900528810 issued by Ministry of Finance on December 22, 2010. Article 1, Article 2-1, Article 11, and Article 14 of the Standards were amended by Decree No. 10100685000 issued by Ministry of Finance on November 1, 2012. Article 1, Article 2-1, and Article 14 of the Standards were amended by Decree No. 10200650920 issued by Ministry of Finance on September 5, 2013. Amendment to Articles 8、11、14 and addendums to Article 13-1 of the Standards were amended by Decree No. 10400737840 issued by Ministry of Finance on January 6, 2016.
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Article 1

The Standards are established in accordance with Paragraph 4 of Article 3-2, Paragraph 3 of Article 3-4, and Paragraph 3 of Article 88 of the Income Tax Act (hereinafter referred to as the "ITA") and Paragraph 6 of Article 25 of the Act Governing Relations between Peoples of the Taiwan Area and the Mainland Area (hereinafter referred to as the "AGR").

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Article 2

Where a taxpayer is an individual residing within the territory of the Republic of China, or a profit-seeking enterprise having its fixed place of business within the territory of the Republic of China, tax shall be withheld in accordance with the following rules:

1.Tax on salary is withheld in either of the following ways, one of which is to be selected and applied by the taxpayer, however, for the wages for a part-time job and/or a salary not paid monthly, tax shall be withheld in accordance with “The Regulations Governing the Withholding of Tax on Wages”:

(1)The total monthly payment is withheld in accordance with the Regulations Governing the Withholding of Tax on Wages. For porters in docks and stations and temporary workers in the construction industry, etc. whose wage is calculated and paid on daily basis, their wages are exempted from tax being withheld, but the tax withholder shall still file a withholding report to the tax collecting authority-in-charge in accordance with Paragraph 3 of Article 89 of the ITA.

(2)5% of the total monthly payment is withheld.

2. For commission, 10% of the payment is withheld.

3.Tax on interest is withheld in accordance with the following rules:

(1)Interest on favorable pension (discharge) fund savings of military personnel, civil servants, and teachers shall be exempted from tax being withheld, but the tax withholder shall file a withholding report to the tax collecting authority-in-charge as applicable under Paragraph 3 of Article 89 of the ITA.

(2)For interest from the portion of the pecuniary amount realized by

short-term commercial papers at their maturity in excess of the selling price at their initial issuance, 10% of the payment is withheld.

(3)For interest distributed from beneficiary securities or asset-backed securities issued in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act, 10% of the distribution is withheld.

(4)For interest on government bonds, corporate bonds, or financial bonds, 10% of the payment is withheld.

(5)For interest derived from repo (RP/RS) trade whereby a taxpayer purchases securities or short-term commercial papers as described above in Subparagraphs 2 to 4 which shall be the net amount of the sale price at their maturity in excess of the original purchase price, 10% of the payment is withheld.

(6)For all other types of interest, 10% of the payment is withheld.

4. If the taxpayer and his or her spouse (including such dependents as may be named and identified in the tax return) jointly filing consolidated income derive income from interest on deposits in financial institutions and from trust funds of a savings nature, they may claim a withholding exemption certificate to be held by the tax withholder for registration when making payment in accordance with the Directions for the Implementation of Withholding Exemption Certificates for Savings, where accumulated portion not exceeding NT$270,000 shall be exempted from tax being withheld. However, the interest on postal passbook savings and other forms of interest may be subject to separate taxation as stipulated in the ITA are excluded.

5. For rentals, 10% of the payment is withheld.

6. For royalties, 10% of the payment is withheld.

7. For prizes or payment from contests and games won by chance, 10% of the full payment is withheld. However, for prizes won in a lottery held under government auspices, where the prize for each ticket (raffle, bet) does not exceed NT$2,000, shall be exempted from tax being withheld. Where the prize for each ticket exceeds NT$2,000, 20% of the full payment will be withheld.

8. For remuneration to professional practitioners, 10% of the payment is withheld.

9. For pension income, 6% of the balance of the payment minus the fixed exemption is withheld.

10. For payment of reward for information or accusation, 20% of the full payment is withheld.

11. For income from transactions in structured products between taxpayers

and securities firms or banks, 10% of the income derived is withheld.

Where the income as prescribed in the Subparagraphs of the preceding Paragraph is derived from sources in the Taiwan Area by an individual of the Mainland Area residing and staying in the Taiwan Area for at least 183 days in a taxable year in accordance with Paragraph 2 of Article 25 of the AGR, or by a juristic person, organization, or other institution of the Mainland Area having its fixed place of business in the Taiwan Area in accordance with Paragraph 2 of Article 25 of the AGR, it shall be withheld as applicable under each corresponding Subparagraph of the preceding Paragraph of this Article.

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Article 2-1

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Article 3

Where a taxpayer is an individual not residing within the territory of the Republic of China, or is a profit-seeking enterprise not having any fixed place of business within the territory of the Republic of China, tax shall be withheld in accordance with the following rules:

1.For an individual not residing within the territory of the Republic of China, in the case of dividends distributed by a company, profits distributed by a cooperative, earnings payable by a profit-seeking enterprise organized as a partnership to its partners each year, or earnings from a profit-seeking enterprise organized as a sole proprietorship each year, 20% of the amount distributed or payable, or the income derived is withheld.

2. For salaries, 18% of the payment is withheld. However, cases coming under the following conditions shall not be included:

(1)For the salaries paid to civil servants employed by the government to work abroad, 5% of the portion of the total monthly payment exceeding NT$30,000 is withheld.

(2)Since January 1, 2009, for the salaries not exceeding 1.5 times the monthly baseline salary as assessed by the Executive Yuan, but with the exception of salary paid to the individuals described above in Subparagraph (1), 6% of the payment is withheld.

3. For commission, 20% of the payment is withheld.

4.Tax on interest is withheld in accordance with the following rules:

(1)For interest from the portion of the pecuniary amount realized by short-term commercial papers at their maturity in excess of the selling price at their initial issuance, 15% of the payment is withheld.

(2)For interest distributed from beneficiary securities or asset-backed securities issued in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act, 15% of the distribution is withheld.

(3)For interest on government bonds, corporate bonds, or financial bonds, 15% of the payment is withheld.

(4)For interest derived from repo (RP/RS) trade whereby a taxpayer purchases securities or short-term commercial papers as described above in Subparagraphs 1 to 3 which shall be the net amount of the sale price at their maturity in excess of the original purchase price, 15% of the payment is withheld.

(5)For all other types of interest, 20% of the payment is withheld.

5. For rentals, 20% of the payment is withheld.

6. For royalties, 20% of the payment is withheld.

7. For prizes or payment from contests and games won by chance, 20% of the full amount is withheld. However, for prizes won in a lottery held under government auspices where the prize for each ticket (raffle, bet) does not exceed NT$2,000, the tax will be exempted.

8. For remuneration to professional practitioners, 20% of the payment is withheld. However, income derived from written articles, copyrighted books, musical compositions, musical productions, dramas, cartoons, or as remuneration for speeches and lectures on an hourly basis, for which each payment does not exceed NT$5,000, may be exempted from tax.

9. For income from transactions in structured products between taxpayers and securities firms or banks, 15% of the income derived is withheld.

10. Where a profit-seeking enterprise not having any fixed place of business and business agent within the territory of the Republic of China derives any income other than the categories of income listed in the

preceding eight Subparagraphs, 20% of the payment is withheld.

11. For pension income, 18% of the balance of the payment minus the fixed exemption is withheld.

12. For payment of reward for information provider or denouncement of tax evasion cases, 20% of the full payment is withheld.

Where the income as prescribed in Subparagraphs 2 to 12 of the preceding Paragraph derived from sources in the Taiwan Area by an individual of the Mainland Area residing and staying in the Taiwan Area for less than 183 days in a taxable year in accordance with Paragraph 4 of Article 25 of the AGR, or by a juristic person, organization, or other institution of the Mainland Area not having any fixed place of business in the Taiwan Area in accordance with Paragraph 3 and Paragraph 4 of Article 25 of the AGR, it shall be withheld as applicable under each corresponding Subparagraph of the preceding Paragraph of this Article.

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Article 4

The net dividends or profit distributed to a profit-seeking enterprise having its head office outside the territory of the Republic of China from investment in an enterprise within the territory of the Republic of China shall be withheld at a rate of 20% of the amount distributed by the withholder when payment is made.

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Article 5

For an individual of the Mainland Area residing and staying in the Taiwan Area for less than 183 days in a taxable year in accordance with Paragraph 4 of Article 25 of the AGR, and a juristic person, organization, or other institution of the Mainland Area, the tax payable for net dividends or profit distributed shall be withheld at a rate of 20% of the amount distributed or payable by the withholder when payment is made.

For a company in any third area in which investment has been made by any individual, juristic person, organization or other institution of the

Mainland Area, the tax payable for net dividends or profit distributed shall be withheld at a rate of 20% of the amount distributed by the withholder when payment is made.

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Article 6

Where a beneficiary prescribed in Paragraph 1 to 3 of Article 3-2 of the ITA is a profit-seeking enterprise without any fixed place of business and business agent within the territory of the Republic of China, or a juristic person, organization, or other institution of the Mainland Area without any fixed place of business and business agent in the Taiwan Area in accordance with Paragraph 4 of Article 25 of the AGR, the settler shall deduct 20% of the value or the increased portion of the value of the beneficiary's entitlement to such trust benefit when the trust deed takes effect, the beneficiary change takes effect, or the trust property increase takes effect.

If the beneficiary prescribed in the preceding paragraph is an individual not residing within the territory of the Republic of China or an individual of the Mainland Area residing and staying in the Taiwan Area for less than 183 days in a taxable year in accordance with Paragraph 4 of Article 25 of the AGR, he or she shall declare and pay the tax in accordance with a withholding rate of 20% for the value or the increased portion of the value of the beneficiary's entitlement to such trust benefit in the year the trust deed takes effect, the beneficiary change takes effect, or the trust property increase takes effect.

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Article 7

Where a beneficiary prescribed in Paragraph 4 of Article 3-2 of the ITA is not specified or not in existence yet, in the year the trust deed takes effect, the beneficiary change takes effect, or the trust property increase takes effect, the trustee shall declare and pay the tax according to a withholding rate of 20% for the value or the increased portion of the value of the beneficiary's entitlement to such trust benefit.

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Article 8

Where a beneficiary prescribed in Paragraph 3 of Article 3-4 of the ITA is not specified or not in existence yet, the tax shall be declared and paid according to a withholding rate of 20% for the income calculated in accordance with the pertinent regulations. However, when considering the amount of income arising from disposition of the house, land, or the right to use a house in Article 4-4 of the ITA by the trustee which is calculated in accordance with Paragraph 3, Article 14-4 of the ITA, the tax shall then be declared and paid in accordance with the following withholding rate according to the holding period of the property:

1. The withholding rate shall be 45% if the holding period is no more than 1 year.

2. The withholding rate shall be 35% if the holding period is more than 1 year but no more than 2 years.

3. The withholding rate shall be 20% if the holding period is more than 2 years but no more than 10 years.

4. The withholding rate shall be 15% if the holding period is more than 10 years.

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Article 9

For a profit-seeking enterprise of which the headquarters are outside the territory of the Republic of China, its income is calculated by 10% or 15% of the business revenue earned within the territory of the Republic of China in accordance with Article 25 of the ITA given the approval or decision by the Ministry of Finance, and where its profit-seeking enterprise income tax payable shall be withheld and paid by the business agent or the payer in accordance with Subparagraph 2 or Subparagraph 3 of Article 98-1 of the same Act, 20% of the profit-seeking enterprise income earned within the territory of the Republic of China is withheld.

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Article 10

Article 26 of the ITA provides that for a foreign motion picture enterprise which has no branch within the territory of the Republic of China, 20% of the profit-seeking enterprise income earned within the territory of the Republic of China shall be withheld.

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Article 11

Where an individual outside the territory of the Republic of China derives income arising from transactions of house, land, or the right to use a house in Article 4-4 of the ITA which is calculated in accordance with Paragraph 3, Article 14-4 of the ITA, he or she shall file and pay the tax in accordance with the following withholding rate according to the holding period of the house, land, or the right to use a house:

1. The withholding rate shall be 45% if the holding period is no more than 1 year.

2. The withholding rate shall be 35% if the holding period is more than 1 year.

Where an individual of the Mainland Area residing and staying in the Taiwan Area for less than 183 days in a taxable year in accordance with Paragraph 4, Article 25 of the AGR derives income which is calculated in accordance with Paragraph 3, Article 14-4 of the ITA, he or she shall file and pay the tax as applicable under the preceding Paragraph of this Article.

Where a profit-seeking enterprise has neither any fixed place of business nor business agent within the territory of the Republic of China but derives income arising from the transaction of a house and land in

accordance with Paragraph 1 in Article 4-4 of the ITA which is calculated in accordance with Paragraph 1, Article 24-5 of the ITA, or derives income arising from the transaction of such offshore company shares in accordance with Paragraph 4 in Article 24-5 of the ITA, shall file and pay the tax in accordance with the withholding rate under Paragraph 1 of this Article.

Where a juristic person, organization, or other institution of the Mainland Area has neither any fixed place of business nor business agent in the Taiwan Area in accordance with Paragraph 4, Article 25 of the AGR but derives income arising from the transaction of a house and land in accordance with Paragraph 1 in Article 4-4 of the ITA which is calculated in accordance with Paragraph 1, Article 24-5 of the ITA, or derives income arising from the transaction of such offshore company shares in accordance with Paragraph 4 in Article 24-5 of the ITA, shall file and pay the tax as applicable under the preceding Paragraph of this Article.

Where a profit-seeking enterprise has neither any fixed place of business nor business agent within the territory of the Republic of China derives income from a property transaction other than that specified in Paragraph 3, it shall file and pay the tax in accordance with the withholding rate of 20% of the income. Where an individual outside the territory of the Republic of China derives income from a property transaction other than that specified in Paragraph 1 or income from self-undertaking in farming, fishing, animal husbandry, forestry, and mining or other income as described in Article 14 of the ITA, he or she shall file and pay the tax in accordance with the withholding rate of 20% of the income.

Where a juristic person, organization, or other institution of the Mainland Area has neither any fixed place of business nor business agent in the Taiwan Area in accordance with Paragraph 4, Article 25 of the AGR derives income form a property transaction other than that specified in Paragraph 4, and an individual of the Mainland Area residing and staying in the Taiwan Area for less than 183 days in a taxable year in accordance with the aforesaid provision of AGR derives income from a property transaction other than that specified in Paragraph 2, income from self-undertaking in farming, fishing, animal husbandry, forestry mining, and other income as described in Article 14 of the ITA, that income shall be filed and paid as applicable under the preceding Paragraph of this Article.

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Article 12

An offshore banking unit that receives revenue from loans extended to individuals, institutions, government agencies or financial institutions within the territory of the Republic of China shall file and pay tax in accordance with the withholding rate of 15% of the said total lending revenue.

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Article 13

When an individual residing within the territory of the Republic of China derives income as prescribed in Article 2, and the tax to be withheld and paid each time by the tax withholder does not exceed NT$2,000, the tax is exempted from being withheld. However, the following income subject to separate taxation in accordance with the ITA will still be withheld and paid according to the pertinent rules:

1. Interest from the portion of the pecuniary amount realized by short-term commercial papers at their maturity in excess of the selling price at their initial issuance.

2. Interest distributed from beneficiary securities or asset-backed securities issued in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act.

3. Interest on government bonds, corporate bonds, or financial bonds.

4. Interest derived from repo (RP/RS) trade whereby a taxpayer purchases securities or short-term commercial papers as described above in Subparagraphs 1 to 3 in this paragraph shall be the net amount of the sale price at their maturity in excess of the original purchase price.

5. A prize won in a lottery held under government auspices.

6. Payment of reward for information provider or denouncement of tax evasion cases.

7. Income from transactions in structured products between taxpayers and securities firms or banks.

Where an individual of the Mainland Area residing and staying in the Taiwan Area for at least 183 days in a taxable year in accordance with

Paragraph 2 of Article 25 of the AGR derives income as prescribed in Article 2, shall be withheld as applicable under the preceding paragraph of this Article.

Where the annual income as prescribed in the preceding two paragraphs paid to a taxpayer does not exceed NT$1,000, the withholder is not required to file a withholding report to the tax collecting authority-in-charge in accordance with Paragraph 3 of Article 89 of the ITA.

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Article 13-1

Where a profit-seeking enterprise has its fixed place of business within the territory of the Republic of China derives income as prescribed in Article 2, and the tax to be withheld each time by the tax withholder does not exceed NT$2,000, the tax is exempted from being withheld. However, the income subject to separate taxation in accordance with the ITA will still be withheld according to the pertinent rules.

Where a juristic person, organization, or other institution of the Mainland Area has its fixed place of business or business agent in the Taiwan Area in accordance with Paragraph 3 of Article 25 of the AGR derives income as prescribed in Article 2, any tax on income shall be withheld as applicable under the preceding paragraph of this Article.

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Article 14

The Standards are effective from the date of promulgation, however the provisions under Article 2, Article 3, Article 4, Article 5, Article 9 and Article 13 amended on October 28, 2009 shall come into force on January 1, 2010. The Articles amended on December 22, 2010 shall come into force on January 1, 2011. The Articles amended on November 1, 2012 shall come into force on January 1, 2013. The Articles amended on September 5, 2013 shall come into force on January 1, 2013.The articles amended on January 6, 2016 shall come into force on January 1, 2016.