Content

Title：	Regulations for Exemption of Commodity Tax on Goods for Military Use Ch
Date：	2017.02.16
Legislative：	History 1、Issuance of Decree No. 791189896 by the MOF on 30th May 1990. 2、Amended Article 4, Article 5 and Article 14 promulgated in the government decree No. 0890456550 by the MOF on 5 th October 2000. 3、Amended Article 2, Article 3, Article 4, Article 5, Article 12, and Article 14 promulgated in the government decree No. 10604514890 by the MOF on 16th February 2017.
Content：	Article 1 The Regulations herein are set forth pursuant to Paragraph 2, Article 3 of the Commodity Tax Act. Top ↑ Article 2 The application for exemption of commodity tax on goods purchased for military and the Coast Guard Administration, Executive Yuan (hereinafter referred to as "CGA") use shall be governed by the Regulations herein. Top ↑ Article 3 The military may apply for exemption of commodity tax on the following goods purchased under the national defense budget and supplied directly for military use: 1.Rubber tires 2.Cement 3.Flat glabr 4.Oil/gas: gasoline, diesel, kerosene, jet fuel, fuel oil, natural gas, dissolving oil, and liquefied petroleum gas

5.Electrical appliances: refrigerators, color television sets, air conditioners, dehumidifiers, video recorders, record players, audio recorders, stereophonic systems, and electric ovens

6.Vehicles: automobiles and motorcycles

CGA purchases oil products for military use with the approval of the Ministry of National Defense, may apply for commodity tax exemption.

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Article 4

The Customs will exempt the commodity tax on goods for military use imported by a military agency, CGA or its contractor who is awarded the contract under the Government Procurement Act when the agency or its contractor submits relevant documentation to apply for the exemption of duty. This provision also applies to publicly-owned enterprises that import goods on behalf of the military.

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Article 5

When a military agency, CGA or its contractor who is awarded the contract under the Government Procurement Act purchases goods described in Article 3 herein from a local supplier for military use, it shall submit two copies of the purchasing contract or the Approval of Tax Exemption for Goods Purchased for Military Use (hereunder called the Military Goods Approval) issued by the Ministry of National Defense or its authorized unit to the tax authority where the supplier is located for tax exemption.

If a military agent, CGA or its contractor who is awarded the contract under the Government Procurement Act fails to apply for tax exemption status according to the preceding paragraph or purchases taxed goods, it may not apply for tax refund.

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Article 6

After examining the application for tax exemption and finding it complying with the requirements, the

Ministry of National Defense or its authorized unit should fill out a Military Goods Approval form in triplicate (see attachment for format), keep the first copy, and give the applicant the remaining other two copies for applying to the competent tax authority where the supplier is located for tax-exempt release from factory.

If a purchasing unit is different from the user unit of purchased goods, the Ministry of National Defense or its authorized unit should indicate the name of the user unit on the Approval.

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Article 7

After the tax authority approves of the tax exemption status of goods for military use under application, it should stamp its chop on the Military Goods Approval, keep the second copy of the Approval together with the submitted contract, and give the third copy to the purchasing unit.

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Article 8

When the purchasing unit picks up the purchased goods from the manufacturer, it should give the third copy of the Military Goods Approval stamped with the chop of the tax authority to the manufacturer who will then fill out a military status tax exemption certificate accordingly. The aforesaid purchased goods should be labeled with the wording "Tax Exempt for Military Use."

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Article 9

When a manufacturer delivers tax-exempt goods for military use, it should obtain a receipt from the purchasing unit or its designated user unit, and submit it together with the tax exemption certificate to the tax authority for approval and case closing. If the manufacturer fails to close the case within three (3) months from the date the goods are released from the factory, it shall pay back tax.

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Article 10

If a manufacturer receives military status tax-exempt goods as materials for making goods for military use under a contract, but subsequently becomes unable to carry out the contract, or the contract is terminated due to other reasons, or the processed goods are rejected by the military for failing an acceptance inspection, the original purchasing unit shall be responsible for notifying the tax authority to impose back tax on the aforesaid tax-exempt materials.

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Article 11

If any military status tax-exempt goods supplied to the contractor for processing or use are leftover and not returned to the military, the contractor shall pay commodity tax on the leftover goods to the local tax authority; if the contractor uses the leftover goods for other purposes before paying tax, such an act shall be treated the same as tax evasion.

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Article 12

If a military agency transfers its military status tax-exempt goods, it shall declare and pay the tax to the competent tax authority within 30 days from the day following the day on which the tax-exempt goods are transferred or the purpose of use is changed.If the military agent transfers the tax-exempt goods prior to declaring and paying tax due, the Ministry of National Defense will look into the matter and collect any commodity tax owed, it shall declare and pay the tax to the competent tax authority. The preceding provision does not apply to scrapped goods.

If CGA transfers its military status tax-exempt goods, it shall declare and pay the tax to the competent tax authority within 30 days from the day following the day on which the tax-exempt goods are transferred or the purpose of use is changed.

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Article 13

The Military Goods Approval issued by the Ministry of National Defense or its authorized unit for the purchase of taxable goods shall be valid for six months. The Approval shall be valid for one year if the taxable goods are purchased for the replacement of major machine components.

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Article 14

For oil products purchased by a military agency and CGA, the contracted supplier will supply the goods without charging the commodity tax if an approval document issued by the Ministry of National Defense or its authorized unit, Combined Logistics Command is presented. The supplier shall also obtain receipts for delivered goods on a monthly basis, and submit the receipts to the tax authority for approval and case closure.

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Article 15

The Regulations shall be in force from the date of promulgation.

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