Content

Title：	Regulations for the Collection of Tobacco and Alcohol Tax Ch
Date：	2017.11.10
Legislative：	Note: In case of any discrepancy between the English version and the Chinese text of this Act, the Chinese text shall govern. 1. Promulgated on 29 December, 2000 by Ministry of Finance Decree Tai-Tsai-Shuei No. 0890459109. The Regulations for the Collection of Tobacco and Alcohol Tax shall become effective from the implementation date of the Tobacco and Alcohol Tax Act (1 January, 2002). 2. Article 4~8, Article 9, Article 10, Article 23, Article 30, Article 31, Article 34, and Article 41 are amended; Article 8-1 is added; and promulgated on 22 December, 2008 by Ministry of Finance Decree Tai-Tsai-Shuei-Tze No. 09704567200. 3. Article 13, Article 18, Article 37, and Article 39 are amended; Article 2 is deleted; and promulgated on 17 June, 2010 by Ministry of Finance Decree Tai-Tsai-Shuei-Tze No. 09904527660. 4. Article 9, Article 10, and Article 41 are amended and promulgated on 16 April, 2015 by Ministry of Finance Decree Tai-Tsai-Shuei-Tze No. 10400551510. The amended articles of the Regulations shall come into force from the date of promulgation, except for Article 9 shall become effective from 1 January, 2015. 5. Article 17 is amended and promulgated on 10 November, 2017 by Ministry of Finance Decree Tai-Tsai-Shuei-Tze No. 10604684000.
Content：	Chapter 1 General Provisions Article 1 The Regulations herein are set forth in accordance with Article 20 of the Tobacco and Alcohol Tax Act (hereinafter referred to as the “Act”). Article 2 (deleted) Article 3 Un-denatured ethyl alcohol specified in Subparagraph 3, Article 2 of the Act refers to alcohol that is not completely denatured before its release from the factory or importation. Chapter 2 Registration Section 1 Manufacturer Registration Article 4 A manufacturer shall, prior to commencing production, fill out an Application for Manufacturer’s Registration of Tobacco and Alcohol Tax,

and submit it together with the Manufacturer's Registration Form and other required documents to the competent tax authority for review and approval. The aforesaid Manufacturer's Registration Form shall contain the following particulars:
(1) Name, tobacco and alcohol manufacturer license No., uniform business No., and address of the manufacturer;
(2) Types of organization;
(3) Total amount of capital;
(4) Name, date of birth, national ID No., household registration address, and seal specimen of factory's responsible person;
(5) Name, date of birth, national ID No., household registration address, and seal specimen of the responsible person of a company, the business registration , or the agricultural organization established according to the law;
(6)Name and address of warehouse for untaxed tobacco and alcohol outside the premises of factory; and
(7)Name and capacity of major machinery/equipment.

Article 5

When applying for registration as described in the foregoing article, a manufacturer shall attach the following documents:
(1)Photocopy of tobacco/alcohol manufacturing permit license;
(2)two copies of concise floor plan of factory /warehouse;
(3)two copies of production and business operation plans of tobacco/alcohol manufacturing.

Article 6

If a manufacturer applies to the competent tax authority for change of registration pursuant to paragraph 1 of Article 10 of the Act, it shall submit to the competent tax authority a new Manufacturer's Registration Form with changed items noted thereon, and relevant support documents and photocopies.

Article 7

If a manufacturer apply to the competent tax authority for cancellation of registration pursuant to paragraph 1 of Article 10 of the Act, the cancellation of registration shall be permitted only after the manufacturer has reported to the competent tax authority regarding the transfer, sales or storage of the production equipment and left-over stock of materials, has cleared the tobacco or alcohol tax and health and welfare surcharge and has settled all violations, if any.

Section 2 Product Registration

Article 8

A manufacturer shall, prior to commencing the production of tobacco or

alcohol products, contact the competent tax authority to obtain product numbers and fill out an Application for Product Registration, and submit a 4-inch photograph, the labeling and patterns of a product sample to the competent tax authority for review and approval.
The aforesaid Application for Product Registration shall contain the following particulars:
(1)Name, specifications, category of tobacco or alcohol product, alcohol content, and additives;
(2)Manufacturing process and raw materials used;
(3)Packing material, packing method, and volume or net weight contained in each unit;
(4)Whether the product is for export only; and
(5)Whether the product has the same quality and specifications as products produced by other factories.
The photograph of a product sample specified in the first paragraph, the labeling and patterns hereof may be submitted within two days after the first batch of production if the manufacturer is unable to submit the photograph prior to the commencement of production.

Article 8-1

If a manufacturer changes the name, specifications, volume, net weight or alcohol content of the approved tobacco and alcohol product, a new registration is required. For other changes in the original registration, the manufacturer shall apply to the competent tax authority for change in the registration prior to its production.
If the aforesaid change involves only the logo on the package, the manufacturer shall submit the information to the tax authority for reference without applying for a change of registration.
When the registered tobacco and alcohol cease production, the manufacturer shall apply for cancellation of registration.

Article 9

When a manufacturer produces tobacco and alcohol products for others on the basis of contract manufacturing and applies for product registration according to Article 8, it shall submit the manufacturing contract to the competent tax authority for review. In cases where the consignor and the manufacturer are located in areas under the jurisdiction of different tax authorities, the competent tax authority handling the application of said manufacturer should forward a copy of the manufacturing contract and Application for Product Registration to the competent tax authority where the consignor is located, upon approving the product registration.
If the aforesaid consignor has applied to the competent tax authority as a taxpayer of tobacco or alcohol tax according to the second paragraph, Article 4 of the Act, it shall be stated so in the manufacturing contract. In such event, the competent tax authority where the consignor is located shall, upon receiving the application and other documents forwarded by the competent tax authority where the manufacture is located, assign a Product No. to the product under application and notify the consignor to pay the

tobacco or alcohol tax and health and welfare surcharge according to the prescribed regulations.

Article 10

The labeling of all tobacco and alcohol products shall comply with the provisions of the Tobacco and Alcohol Administration Act. But general cooking alcoholic products indicate in addition the percentage of salt content in the labeling.

Chapter 3 Tax Units

Article 11

Cigarettes shall be taxed by the unit of per 1000 sticks; cut tobacco, cigars and other tobacco products shall be taxed per kilogram; taxable tobacco in amounts of less than 1000 sticks or one kilogram shall be taxed by proportion.

Article 12

Alcohol and spirits shall be taxed per litre; taxable alcohol in amounts of less than 1 litre shall be taxed by proportion.

Chapter 4 Tax Collection Procedures

Section 1 Domestically Manufactured Alcohol and Tobacco Products

Article 13

When a manufacturer files a monthly tax return for taxable tobacco or alcohol products released from the factory by submitting a Tax Calculation Statement, the following documents shall be attached:
(1)Copy of tax payment receipt;
(2)Monthly production/sales statement, and tax-exempt tobacco or alcohol ex-factory statement
(3)Monthly statement of tax-exempt raw materials usage status
(4)Monthly statement of factory delivery sheets usage status
(5)Monthly statement of in and out of an untaxed warehouse
(6)Other documents as prescribed by the Ministry of Finance
Tobacco manufacturers shall pay the health and welfare surcharge when filing the tobacco tax return.

Article 14

Manufacturers shall produce a factory delivery sheet, which itemizes the quantity of taxed, tax-exempt, and untaxed tobacco or alcohol products shipped before the goods are released from the factory.
In case of tax-exempt tobacco and alcohol products as prescribed in the aforesaid paragraph, the product names and quantities on the factory

delivery sheet shall be recorded according to the following documents, except for tax-exempt directly exported goods:
(1)For tax-exempt materials to be supplied to another manufacturer for the production of tobacco or alcohol products: the Application for Tax Exemption of Materials which is approved by the competent tax authority.
(2)For tobacco or alcohol products to be put on exhibition and returned to the same factory afterwards: the approval document which is issued by the competent tax authority.

Article 15

If the manufacturer has a processing department, the tobacco or alcohol tax and health and welfare surcharge payable on taxable goods transferred from the manufacturing department to the processing department shall be paid once a month, while the payment period and procedures shall be the same as those for ex-factory goods.

Article 16

If a consignor has registered as the taxpayer of tobacco or alcohol tax as provided in the second paragraph, Article 4 of the Act, the manufacturer shall fill out a factory delivery sheet when delivering the goods to the consignor. The consignor should record the receipt, sales and inventory of tobacco or alcohol products, and file a monthly return to pay tobacco or alcohol tax and health and welfare surcharge for such goods together with ex-factory tobacco or alcohol products manufactured for itself in the month.

Article 17

Manufacturers should use uniform invoices and state the name and specifications of their tobacco or alcohol products on the uniform invoice when issuing.
If a manufacturer also sells goods other than tobacco and alcohol products, the uniform invoices issued thereof should be separated from those of tobacco and alcohol products, unless a manufacturer uses computerized uniform invoices or issues electronic uniform invoices.

Section 2 Imported Tobacco and Alcohol Products

Article 18

The taxpayer for imported taxable tobacco and alcohol products shall declare and pay tobacco or alcohol tax as well as the health and welfare surcharge to the Customs at the time of importation.

Article 19

The Customs should submit a monthly statement on tobacco and alcohol taxes and health and welfare surcharges collected to the competent tax authority

where the customs house is located.

Section 3 Books and Documentary Evidence

Article 20

Manufacturers shall set up and maintain books, documents, and accounting records in accordance with the regulations for tax authorities to administer accounting and bookkeeping records of profit-seeking enterprises, as well as the following books and records:
(1)Raw material ledgers: recorded according to purchase invoices of each material and manufacturing department's material withdrawal and return records.
(2)Finished product ledgers: recorded by product type according to the manufacturing department's work shift report, in-warehouse, ex-factory or transfer to processing notices.
(3)Warehouse registers: a register should be set up for each warehouse to document the receipt and distribution of materials, semi-finished products and finished products.
(4)Tax-exempt export registers: to record details of tax-exempt export goods that are released from the factory, including product names, specifications, quantities, ex-factory date, factory delivery sheet No., and cancellation status.
(5)Return, repackaging and reprocessing registers: to document the quantity of replacement, addition, or loss based on the records of return, repackaging and reprocessing and relevant warehouse and processing records.
(6)Tax-exempt material registers: to record the receipt, withdrawal, and consumption of tax-exempt materials for processing into another kind of tobacco or alcohol product (including tax-exempt materials for own manufacturing or processing, or for processing by another factory).
(7)Package and container usage registers: to record the purchase, use, and stock balance of various packing materials and containers for tobacco or alcohol products.
(8)Factory delivery sheets: delivery sheets are assigned a letter track and serial number, which document the ex-factory date, recipient, product names, specifications, and quantities, and are classified by taxed, tax-exempt, and untaxed shipment.
If a manufacturer has already set up books having the same nature and functions as those described in the preceding paragraph, it may submit a reference table for such books to the competent tax authority for approval of the continual use of the original books, or addition to and removal from original books.
Small-scale manufacturers faced with difficulty in setting up the required books as specified in Items (1) ~ (5) in the first paragraph hereof may apply to the competent tax authority for approval to replace them with the standard production/sales journal.

Section 4 Movement of Untaxed Tobacco and Alcohol Products

Article 21

If a manufacturer needs to move its untaxed tobacco or alcohol products to a warehouse outside the premises of its factory, it may apply to the competent tax authority where the designated warehouse is located for permission to set up an untaxed warehouse. After the said tax authority approves of the registration of an untaxed warehouse, it shall notify the competent tax authority where the manufacturer is located.
Each time a manufacturer relocates its untaxed goods, it shall fill out a factory delivery sheet; when the aforesaid untaxed goods are released from the warehouse, the manufacturer shall file a tax return and pay tax as well as surcharges as required.

Article 22

If a manufacturer has an untaxed warehouse set up pursuant to the foregoing article, it shall file a monthly report on the movement of untaxed tobacco or alcohol products and submit it together with the monthly production/sales statement to the competent tax authority before the fifteenth (15th) of the following month. A report on the movement of untaxed tobacco or alcohol products in and out of the warehouse shall also be submitted to the competent tax authority where the untaxed warehouse is located.

Article 23

If a manufacturer has its packing and production departments set up at different locations and the transport of untaxed tobacco or alcohol products between the two departments is necessary, it shall fill out a factory delivery sheet each time the untaxed goods are transported.
The packing described above refer to
The term “packing” depicted in the preceding paragraph shall mean the packing process without touching directly on tobacco or alcohol, and the manufacturer shall first apply to the competent tax authority where the aforesaid packing department is located for approval before establishing the packing department.

Section 5 Inspection

Article 24

When discovering cases of violation, the inspection personnel should immediately make a record by filling out a Violation Case Report, which states in detail the name and address of the tobacco or alcohol holder, name and address of its responsible person, name, specification, quantity, alcohol content, date of manufacture, origin of tobacco and alcohol products, and facts of violation, and ask the holder or on-site staff to view and sign the report. The competent tax authority will handle the case in accordance with the Act.

Article 25

If taxable imported tobacco or alcohol products are found to be involved in the evasion of customs duty, tobacco or alcohol tax, or health and welfare surcharge, a related report prepared according to the foregoing article as well as the seized tobacco or alcohol products will be forwarded to the Customs. The Customs will handle the evasion of customs duty according to the Customs Law and Statute Governing Customs Smuggling Prevention; with regard to the evasion of tobacco or alcohol tax as well as health and welfare surcharge, the Customs will impose tobacco and alcohol tax, penalty, and health and welfare surcharge pursuant to relevant provisions of the Act.

Chapter 5 Tax Exemption and Refund

Section 1 - Exported Tobacco and Alcohol Products

Article 26

For tax-exempt exported tobacco or alcohol products, the taxpayer shall, within three (3) months from the day following their release from the factory, submit the application and a copy of the export declaration issued by the Customs to the competent tax authority where the manufacturer is located for case closure. If the aforesaid filing is late, tobacco or alcohol tax shall be levied.

Article 27

For taxed exported tobacco or alcohol products, the taxpayer shall, after the goods are exported, submit a tax payment certificate and a copy of the export declaration issued by the Customs to the competent tax authority where the manufacturer is located for the refund of the tax and surcharge paid.

Article 28

If tax-exempt exported tobacco or alcohol products cannot be exported, the taxpayer shall report to the competent tax authority where the manufacturer is located and pay the tax and surcharge, unless the goods are returned to the factory.

Article 29

When exported tobacco or alcohol products are re-imported as returned goods, the manufacturer should pay tobacco or alcohol tax and the health and welfare surcharge for the imported goods.
If the aforesaid tobacco or alcohol products have been taxed and have not been filed for tax refund, the Customs may release the goods after checking the export declaration originally issued by the Customs, which is noted “Tax Not Refunded” by the competent tax authority.

Section 2 Raw Materials Used for the Manufacture of Another Tobacco or Alcohol Product

Article 30

If a manufacturer uses another kind of tobacco or alcohol product as raw materials for the production of its tobacco or alcohol products, it shall fill out a Material Computation Form for the materials required and apply to the competent tax authority for approval. If the competent tax authority deem there is a need to prescribe an uniform standards for the use of said materials, after sending samples of the tobacco and alcohol products to a testing agency for checking, the competent tax authority should submit a request to the Ministry of Finance for the formulation of such standards. A taxable material shall be exempted only if it constitutes an ingredient of the tobacco or alcohol product; materials used for fueling and testing purposes shall not be exempt from tobacco and alcohol tax.

Article 31

When purchasing another kind of tobacco or alcohol product to be used as material for the manufacture of tobacco or alcohol products, the manufacturer shall apply to the competent tax authority for approval of tax exemption on tobacco and alcohol tax by submitting an Application for Tax Exemption of Materials in triplicate. The first copy of the application will be kept by the competent tax authority, and the other two copies of the application will be arranged according to the following provisions after they have been signed:
(1)If the taxable materials are purchased or acquired directly from a local supplier, the manufacturer will give both copies of the application to the supplier. After filling out the factory delivery sheet as required, the supplier will retain the second copy and submit the third copy, on which then will be recorded the actual ex-factory quantity and date, to the local competent tax authority in the following month when filing the monthly return.
(2)If the taxable materials are imported, the manufacturer will give both copies of the application to the Customs for exempting from tobacco and alcohol tax. After releasing the goods, the Customs will keep the second copy and send the third copy, after it is noted with the actual quantity and date of release, to the competent tax authority where the manufacturer is located.
(3)If the taxable materials are supplied by the manufacturer itself, the manufacturer may keep the second copy of the application and send the third copy, after it is noted with the actual quantity and date of release, to the competent tax authority where the manufacturer is located for future reference.
After purchasing or acquiring tax-exempt materials, the manufacturer should immediately post the entry on its tax-exempt material register.

Article 32

A manufacturer may not supply tax-exempt materials to other factories without the prior approval of the competent tax authority.

Article 33

If a manufacturer does not follow the tax exemption procedures according to Article 31 herein and instead uses taxed tobacco or alcohol products to manufacture other tobacco and alcohol products, no tax or surcharge will be refunded.

Section 3 Tobacco and Alcohol Products for Exhibition

Article 34

In cases where a manufacturer provides tobacco or alcohol products for exhibition and afterwards returns the products to the factory or exports them, the manufacturer shall submit the information on the nature of the exhibition, organizer, exhibition site, exhibition period, and quantity needed, as well as the supporting document issued by the exhibition organizer to the competent tax authority for approval of tax exemption on the products when released from the factory or imported.
If the aforesaid tax-exempt goods are to be sold at the exhibition site, the manufacturer shall pay tobacco or alcohol tax and health and welfare surcharge to the competent tax authority where the manufacturer is located.
For the tax-exempt tobacco or alcohol products for exhibition, the taxpayer shall, within one month from the conclusion of exhibition, submit the related return shipment documents or a copy of the export declaration issued by the Customs to the competent tax authority where the manufacturer is located for case closure. If the aforesaid filing is late, tobacco or alcohol tax shall be levied.

Section 4 Returned or Damaged Tobacco and Alcohol Products

Article 35

In cases where ex-factory taxed tobacco or alcohol products are returned to the factory for re-sorting, re-packaging or re-processing, the manufacturer may submit the return delivery documents to the competent tax authority for approval. After obtaining approval from the tax authority, the manufacturer shall submit the original tobacco or alcohol tax and health and welfare surcharge payment receipt to the tax authority for refund. After the aforesaid returned goods are repacked or reprocessed, the manufacturer will file tax return and pay tobacco or alcohol tax and health and welfare surcharge for those goods along with tobacco or alcohol products released from the factory in the same month.
Returned taxed tobacco or alcohol products for which the return procedures as specified in the preceding paragraph are not followed shall be treated as new ex-factory goods and subject to tobacco or alcohol tax and health and welfare surcharge.

Article 36

In cases where taxed tobacco or alcohol products, which are returned to the factory for reprocessing due to poor quality or damage, incur losses in the reprocessing, the manufacturer must obtain the approval of the competent tax authority before writing off the damaged goods.

Article 37

If taxed tobacco or alcohol products become disqualified according to governmental standards due to deterioration in quality or damage, the manufacturer should provide the information on location of storage, and method and date of disposition, and request the competent tax authority where the goods are located to dispatch an officer to oversee the disposal or melting down of those goods. After the goods are thus disposed of, the manufacturer may apply to the local tax authority or customs house for refund of tobacco or alcohol tax and the health and welfare surcharge paid.

Article 38

Taxed tobacco or alcohol products that have been opened after sale but returned in exchange for a replacement shall still be subject to tobacco or alcohol tax and the health and welfare surcharge.

Section 5 Disposition of Physically Destroyed or Lost Goods

Article 39

If tobacco or alcohol products are physically destroyed in a fire, lost at sea, or destroyed in other force majeure events after they have been released from the factory or by the Customs, the manufacturer or importer may apply to the competent tax authority or customs office for refund of tax and surcharge paid by presenting a damage list and support documents within thirty (30) days after the occurrence of the event.

Chapter 6 Supplemental Provisions

Article 40

The formats of forms and statements prescribed in the Act and the Regulations herein shall be prescribed by the Ministry of Finance.

Article 41

The Regulations herein shall be in force from the date of implementation of the Act.
The amended articles of the Regulations shall come into force from the date of promulgation, except Article 9, which amended and promugated on 16 April 2015, shall become effective from 1 January 2015.