

Introduction to The Tax Incentives For Foreign Taxpayers' Individual Income Tax

Type	Reduction and Exemption of Income Tax of Foreign Special Professionals(From2018)	Tax Preferences Provided To Foreign Professionals
Basis	<p style="text-align: center;">“Act for the Recruitment and Employment of Foreign Professionals” (the Act) & “Regulations Governing Reduction and Exemption of Income Tax of Foreign Special Professionals”</p>	<p style="text-align: center;">The Scope of Application for Tax Preferences Provided to Foreign Professionals</p>
Applicable object	<p>A foreign special professional, who has been recognized to have the special expertise announced by the central competent authority, has obtained the foreign special professional employment (work) permit document issued by the Ministry of Labor or by the Ministry of Education, or has obtained the Employment Gold Card issued by the National Immigration Agency, Ministry of the Interior and has met all of the following requirements is eligible to apply for the tax incentives:</p> <ol style="list-style-type: none"> 1. He/she has been approved for the first time to reside in the R.O.C. for the purpose of work. 2. He/she has engaged in professional work related to the recognized special expertise in the R.O.C. 3. During the last 5 years prior to the day of his/her employment engaged in the professional work or the day of obtaining his/her Employment Gold Card, he/she did not have household registration in the R.O.C. and was not a resident individual of the R.O.C. in accordance with the Income Tax Act. 	<p>The foreign professionals refers to foreign professionals engaging professional work specified in Paragraph 4, Article 4 of Act for the Recruitment and Employment of Foreign Professionals in R.O.C., excluding those who carry both the nationality of the R.O.C. and of another country.</p>
Condition	<p>From 2018, if a foreigner engages in professional work and meets certain requirements, then within 5 years starting from the taxable year in which the foreign special professional for the first time meets the conditions of residing in the R.O.C. for 183 days or more, and having a salary income of more than NT\$3,000,000, only the NT\$3,000,000 salary income and half of the amount above the NT\$3,000,000 in each such taxable year shall be included in the gross income for the assessment of individual income tax liability. If the foreigner obtains overseas income set forth in the provisions of Subparagraph 1, Paragraph 1, Article 12 of the Income Basic Tax Act in such tax year, such income shall be excluded from the basic income.</p>	<p>Foreign professionals engaging in professional work and applying for tax references are required to stay in the R.O.C. for 183 days or more in a taxable year and their yearly salaries whether paid by the employer in R.O.C. or not, must be NT\$1,200,000 or more.</p>
Note	<ol style="list-style-type: none"> 1.A foreign special professional meeting the requirements of tax incentives shall apply for the tax incentives to the competent tax authority when filing his/her annual income tax return in May every year or the departure income tax return before leaving the R.O.C. 2. For those obtaining the foreign special professional employment (work) permit, the required documents are as follows: 	<p>An employer hires a foreign professional qualified for the tax preferences, the payment made in accordance with the content of an employment contract may be declared as operation expenses by the employer, 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</p>

<p>(1) Application for Exemption from Income Tax for Foreign Special Professionals.</p> <p>(2)The supporting document of the first-time approval to reside in the R.O.C. for the purpose of work (i.e.: a photocopy of ARC with cause of work); in the case a foreign special professional had been previously approved to reside in the R.O.C., the supporting document showing the previous approval not related to the engagement of the professional work is also required (i.e.: a photocopy of ARC for study or as a dependent).</p> <p>(3)A photocopy of the foreign special professional employment (work) permit document issued by the Ministry of Labor or by the Ministry of Education.</p> <p>(4)An employment contract or other supporting documents showing the employment engaged in professional work is related to the recognized special expertise.</p> <p>3.For those obtaining the Employment Gold Card, the required documents are as follows:</p> <p>(1) Application for Exemption from Income Tax for Foreign Special Professionals.</p> <p>(2) A photocopy of the Employment Gold Card with the first-time approval to reside in the R.O.C. for the purpose of work; in the case a foreign special professional had been previously approved to reside in the R.O.C., the supporting document showing the previous approval not related to the engagement of the professional work is also required (i.e.: a photocopy of ARC for study or as a dependent).</p> <p>(3) An employment contract or other supporting documents showing the employment engaged in professional work is related to the recognized special expertise.</p> <p>4. For those who are exempted from applying for the work permits in accordance with Article 7 of the Act, the required documents are as follows:</p> <p>(1) Application for Exemption from Income Tax for Foreign Special Professionals.</p> <p>(2)The supporting document of the first-time approval to reside in the R.O.C. for the purpose of work (i.e.: a photocopy of ARC with cause of work); in the case a foreign special professional had been previously approved to reside in the R.O.C., the supporting document showing the previous approval not related to the engagement of the professional work is also required (i.e.: a photocopy of ARC for study or as a dependent).</p> <p>(3)A photocopy of the relevant certificate of having special expertise issued by</p>	<p>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>
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the central competent authority.

(4) An employment contract or other supporting documents showing the employment engaged in professional work is related to the recognized special expertise.