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Guide to Taiwan Commodity Tax

1. Scope of Taxation

The commodity tax is a single-stage excise tax levied on specific commodities manufactured domestically or imported from abroad.

2. Taxpayers

For taxable commodities manufactured domestically, the commodity tax is levied upon departure from a manufacturer's premises. For taxable commodities imported from abroad, the tax is levied when customs duties are paid. The following table shows the scope of taxation and responsible taxpayers under the commodity tax:

Scope of Taxation and Taxpayers under Commodity Tax		
Scope of taxation	Taxpayer	Exception
Commodities manufactured domestically	Manufacturer	
Commodities manufactured under consignment contract	Consignee (i.e. manufacturer)	If the consignor is a manufacturer of taxable commodities, the consignor can apply to be the taxpayer
Commodities imported from abroad	Recipient of the goods, holder of the bill of lading or holder of the goods	

3. Taxable Commodities, Tax Rates, and Tax Amounts

Seven categories of commodities are subject to the commodity tax levied on an ad valorem or other specific basis. The following is a brief outline of the tax rates or amounts for each category of commodity:

Taxable Commodities, Tax Rates, and Tax Amounts		
Category	Subcategory	Tax rates/Tax amounts
Vehicles	Sedans with less than nine seats (cylinder volume not exceeding 2,000 cc)	25%
	Sedans with less than nine seats (cylinder volume of 2,001 cc or more)	30%
	Trucks, buses and other vehicles	15%
	Motorcycles	17%
Rubber tires		10%-15%
Non-alcoholic beverages	Diluted natural fruit/vegetable juices	8%
	Other beverages	15%
Flat-glass		10%
Electrical appliances	Refrigerators	13%
	Television sets	13%
	Air conditioners	20%
	Central air conditioning systems	15%
	Dehumidifiers	15%
	Video recorders	13%
	Record players	10%
	Audio recorders	10%
	Stereophonic systems	10%
Electric ovens	15%	
Cement		Up to NTD 600/MT
Oil and gas		NTD 690/MT for liquefied petroleum gas; NTD 110/KL- NTD 6,830/KL for others

4. Exemptions and Deductions

Taxable commodities that satisfy the following conditions are exempt from commodity tax:

- (1) Raw materials used for manufacturing other taxable commodities;
- (2) Goods for export;
- (3) Goods for exhibition but not for sale;
- (4) Goods supplied for troop entertainment; and
- (5) Goods supplied directly for military use with the approval of the Ministry of National Defence.

Commodity tax can be refunded or offset against tax paid on commodities or bonded commodities that satisfy the following conditions:

- (1) Export commodities;
- (2) Raw materials used for manufacturing export goods;
- (3) Unsellable goods returned to the manufacturer for reprocessing or for refining into similar goods that are subject to commodity tax;
- (4) Goods that cannot be sold due to damage; and
- (5) Goods that are physically destroyed in transit or in storage by fire or water, or other calamities beyond control.

5. Computation of Taxable Value

- (1) Domestic Commodities

For domestically produced commodities, the taxable value is the manufacturer's selling price less any commodity tax that has been included in the price.

Computation of taxable value:

Taxable Value = Selling Price divided by (1 + Tax Rate)*

*Business tax is excluded when calculating the selling price.

Where the manufacturer produced the taxable commodity under a consignment contract and raw materials were provided by the consignor, the selling price is the selling price of the consignor.

(2) Imported Commodities

For imported commodities, the taxable value is the total value subject to customs duties.

(3) Filing and Payment

Manufacturers are required to file excise tax returns and pay tax due to the government treasury and authorities-in-charge, respectively, by the 15th of the month following the month the goods left the manufacturer's premises. For imported taxable commodities, taxpayers must file with Customs and pay the commodity tax along with customs duties.