



In this issue:

Penalty Levied on Failure to File Taiwan AMT Return

Changes in Tax-exempt status for Military Personnel and Teachers, Effective in 2012

Deloitte's View

People to Contact

GES NewsFlash

Taiwan – Penalty Levied on Failure to File AMT Return; Changes in Tax-exempt Status for Military Personnel and Teachers

January 27, 2011

Penalty Levied on Failure to File Taiwan AMT Return

The Ministry of Finance ("MOF") issued a tax ruling on January 10, 2011 to clarify the penalty levied on the failure to file a Taiwan AMT return. If a taxpayer has already filed their personal income tax return under the Taiwan Income Tax Act, but fails to file their AMT return in accordance with the Income Basic Tax Act, the tax authority will impose a fine of no more than three times the amount of tax omitted or under-reported if discovered by the tax authority.

Changes in Tax-exempt status for Military Personnel and Teachers, Effective in 2012

The Legislative Yuan completed the revision of Article 4 of the Taiwan Income Tax Act on January 7, 2011. Under the original Article, salaries of military personnel and teachers in kindergartens, elementary and junior high schools were exempt from taxation. However, according to this amendment they are no longer exempt from income tax, and are required to file tax returns for their salary income. The amendment will take effect in 2012, and the tax returns should be filed before the end of May of the following year.

Deloitte's View

If foreign individuals are tax residents in Taiwan with non-Taiwan sourced income reaching NT\$1 million, the individuals should file AMT returns with the AMT payable as zero even if their total AMT income is less than NT\$6 million, in order to avoid the penalty for failure to file the AMT return.

People to Contact

If you have any questions concerning the issues in this GES NewsFlash, please contact one of the tax professionals as follows:

Cheli Liaw

Tel: +886-2-2545-9988 ext: 3943

This NewsFlash information is also included in our bi-weekly GES newsletter, *Global InSight*, which you will receive directly if you are on the central distribution list.

If you are not on the central distribution list and received this communication by some other means, you can follow these few simple steps to be added to the central distribution list.

- Go to the [Deloitte Subscriptions Page](#) on Deloitte.com
- Make sure that under Step 1 you select "Tax" and "Global Employer Services"
- Under Step 2, select "Global Insight"
- Under Step 3, fill out your contact information and click "Save my profile"

Be sure to visit us at our Web site: www.deloitte.com/tax

[Back to Top](#)

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

1633 Broadway
New York, NY 10019 – 6754
United States

© 2011 Deloitte Touche Tohmatsu.

Deloitte refers to one or more Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

 **[Deloitte RSS feeds](#)**
