

November 12, 2024

Senate Majority Leader
Senator Chuck Schumer
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

Senate Republican Leader
Senator Mitch McConnell
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

Speaker of the House
Representative Mike Johnson
U.S. House of Representatives
568 Cannon House Office Building
Washington, DC 20515

House Democratic Leader
Representative Hakeem Jeffries
U.S. House of Representatives
2433 Rayburn House Office Building
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker Johnson, and Leader Jeffries:

We, the undersigned organizations, respectfully urge the passage of legislation this Congress to end double taxation between the United States and Taiwan.

Taiwan is the seventh largest trading partner of the United States and that partnership is critical to continued U.S. global leadership, innovation, and security. Notably, though more than 60 foreign tax jurisdictions have tax agreements with the United States, Taiwan is the largest U.S. trading partner with which we do not have a tax agreement.

Moreover, Taiwan's prominence in the technology sector makes it a strategically significant economic partner and key to our economic resilience. Further strengthening the bonds between the U.S. and Taiwan is important for our shared prosperity.

U.S. businesses seeking to invest in Taiwan should not face unnecessary double taxation, high withholding tax rates, or other problematic outcomes that result when a tax treaty or similar agreement is not in place. Mitigating the impact of double taxation between the U.S. and Taiwan is an opportunity to support U.S. supply chain resiliency and foster the creation of high-wage jobs in the U.S. As such, it should be a high priority to pass this Congress.

As you know, ending double taxation in the U.S.-Taiwan trade and investment relationship is an idea that enjoys strong bipartisan support in Congress. In July 2023, the Senate Foreign Relations Committee passed S. 1457, *The Taiwan Tax Agreement Act* by voice vote. On September 14, 2023, the Senate Finance Committee voted unanimously to report out S. 3084 *The United States-Taiwan Expedited Double-Tax Relief Act*. On November 30, 2023, the House Ways and Means Committee unanimously reported out the House companion H.R. 5988, *The United States-Taiwan Expedited Double-Tax Relief Act*. We also note that the House Select Committee on the Chinese Communist Party recommended passage of *The United States-Taiwan Expedited Double-Tax Relief Act* among its list of recommendations. Notably, these bills

have been scored by the Congressional Budget Office and have been determined to have no impact on the deficit.

We are grateful for your attention to this important matter and urge you to address the issue of U.S.-Taiwan double taxation before the end of this Congress. We stand ready to assist you in those efforts.

Sincerely,

Information Technology Industry Council (ITI)
Business Roundtable
U.S. Chamber of Commerce
Consumer Technology Association (CTA)
Global Business Alliance
National Association of Manufacturers (NAM)
National Foreign Trade Council (NFTC)
SEMI
Semiconductor Industry Association
TechNet
U.S. Council for International Business
U.S.-Taiwan Business Council