

# **Taxation Help in Response to Coronavirus Pandemic**

## **(COVID-19) Q&A**

**[Q1~Q13 are issues pertinent to the deferral of tax payment or payment by installment]**

**Q1. Are all responsible taxpayers of the 2019 Comprehensive Income Tax eligible to the preferential treatment of tax deferral or payment by installment?**

**A1:** If you have difficulty in tax payment because of the outbreak of the pandemic, you are eligible to apply within the tax payment period (2020/05/01 – 2020/06/30) with the presentation of the required documents for verification (refer to Q3). The eligibility for application is specified below:

1. Reliefs were provided by the central competent authorities pursuant to Paragraph 3 or Article 9 of the Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens or the Regulations Governing Relief at the Outspread of Pandemic.
2. The employers (business owners, factories, entities or organizations) were affected by the pandemic and have reported to the competent authority of labor force to cut down the shifts of duties or taking leave.
3. Any other situations under the influence of the pandemic (such as salary cut, involuntary severance, or the reduction of working days of less than 1/2 of the original schedule for 2 months), to the extent that taxpayers are unable to pay applicable taxes in lump sum within the tax payment period.

**Q2. How to apply for the deferral of tax payment or payment by installment?**

**A2:**

1. Application online:
  - (1) Responsible taxpayers can download the declaration software from the comprehensive income tax electronic settlement application system (which is the e-Filing and Tax Payment Service of the Ministry of Finance at <https://tax.nat.gov.tw>) and click to select “application for

deferred tax payment or payment by installment” after calculating the tax payable and clicking to select tax payment in cash. The system will link responsible taxpayers to the taxation portion of the Ministry of Finance. Responsible taxpayers just fill in the information and provide related documents and upload them to the system to complete the online application for deferral of tax payment or payment by installment.

- (2) Responsible taxpayers may select regular payment (cash, ATM, by check) at the login screen through the comprehensive income tax trial balance service online registration reply (click to select trial balance service of tax payable/declaration start/trial balance of tax payable service online registration, and login after identity authentication), and press confirm to send, then click to link to the taxation portal of the Ministry of Finance to apply for deferral of the tax payment or payment by installment.
- (3) Responsible taxpayers may also use certificates of natural persons or the registered national health insurance card to log in to the taxation portal of the Ministry of Finance (<http://www.etax.nat.gov.tw>) to apply.
- (4) Please be reminded that should you prefer to apply for deferral of tax payment or payment by installment, you must click to select tax payment in cash in replying to the online registration at the comprehensive income tax electronic settlement and declaration system or tax payable trial balance service online registration. If you choose tax payment by credit card or other means other than cash, you are unable to apply for deferral of tax payment or payment by installment.

## 2. Application over-the-counter, by mail or fax:

Responsible taxpayers may visit the district offices, taxation centers or service locations of the National Taxation Bureau all over Taiwan to obtain the “Personal Application for Deferral of Tax Payment or Payment By Installment in response to the Outspread of the Coronavirus Pandemic (COVID-19) (applicable to national tax), or visit the taxation portal of the Ministry of Finance

(<http://www.etax.nat.gov.tw>) on the home page/documents and forms download/tax administration and download the application form. Then fill in the application form, attach the required documents and apply over-the-counter, or send by mail (date of the postage stamp), or by fax to the taxation office of the local jurisdiction or the branches, taxation center or service locations of the administering Taxation Bureau.

**Q3. What are the required documents? Could applicants use photocopies of these documents?**

**A3:**

1. Required documents to attach are:
  - (1) Related documents for proof of relief in tax payment provided by the central competent authorities pursuant to Paragraph 3 or Article 9 of the Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens or the Regulations Governing Relief at the Outspread of Pandemic.
  - (2) Documents to prove that the employers (business owners, factories, entities or organizations) were affected by the pandemic and have reported to the competent authority of labor force to cut down the shifts of duties or taking leave.
  - (3) Documents for proof of situations under the influence of the pandemic with salary cut, involuntary severance, or the reduction of working days of less than 1/2 of the original schedule for 2 months, leave without pay or layoff.
  - (4) For service providers, attach related documents for proof of plummet of income from service rendering.
2. Photocopies of documents are acceptable (must be as same as the original specimens).

**Q4. Could taxpayers apply for deferral of tax payment or payment by installment at the same time? Or apply for payment by installment after deferral of tax payment? Or partial payment by deferral and partial payment by installment?**

**A4:** Choose either deferral of tax payment or payment by installment irrespective of the amount of tax payable; payment can be deferred for up to 1 year, and installment is up to 3 years (in 36 payments).

**Q5. What if the specific taxpayer still cannot pay the applicable tax of deferral or installment of payment beyond due?**

**A5:** Deferral of tax payment or payment by installment may be applied for once only. Once approved, no further application for tax payment or payment by installment with the same cause can be made.

Responsible taxpayers may apply for deferral of payment or payment by installment for another cause of action on the outstanding balance of tax payment. If the previous payment was deferred under application, this application may only be approved for further postponement of the due date. If the previous payment was settlement by installment of payment under application, application may be approved for the same number of payments of installment. The duration of the previous and current instance of deferral of tax payment or the payment by installment in totality shall not be longer than 3 years.

**Q6. Will interest be applied?**

**A6:** No interest will be imposed to tax payment deferred or by installment as relief at the time of the outspread of the pandemic.

**Q7. If the specific taxpayer has already been permitted to pay tax by installment, could this taxpayer switch to this type of payment without any obligation of interest payment?**

**A7:** Yes, but the duration of installment in totality cannot be longer than 3 years.

**Q8. Should the taxpayer make their own application? Could application be made by an authorized agent?**

**A8:**

1. Responsible taxpayers filing their own application: Fill in an application for deferral of tax payment or payment by installment, attach the original tax payment voucher in applying for deferral of tax payment or payment by installment, and related documents.
2. For application filed by authorized agents: Fill in the information of the agent (appointee) on the application for deferral of tax payment or payment by installment; the attachment of the power of attorney and the photocopy of the ID card of the agent is also required.

**Q9. If the specific taxpayer got married (divorced) this year (2020), could the application be made by the spouse?**

**A9:** Spouse may apply only under the status as an authorized agent.

**Q10. What will be the consequence of no tax payment by the due date?**

**A10:** Once approved for deferred payment or payment by installment, if any of the payments is overdue, the National Taxation Bureau will release a notice to the respective responsible taxpayer to make the outstanding balance due within 10 days, whereby the taxpayers shall settle the payment in lump sum.

**Q11. Could payment in full be made before due?**

**A11:** Yes. Payment vouchers for cases approved for deferred payment or payment vouchers for payment by installment will be sent to the respective responsible taxpayers. If the specific responsible taxpayer approved for payment by installment elects to settle the outstanding amount in advance, the taxpayer just needs to present the payment vouchers for the remainder of the installments and settle the payment in lump sum.

**Q12. How many ways of payment are there? Can taxpayers pay by credit card, through fund transfer, or by check?**

**A12:**

1. Payment over-the-counter: Just make the payment at any financial institution accepting tax payment (not for Post Office). The amount of tax payable falling below NT\$20,000 (under NT\$30,000 with effect on 2020/09/16) may make payment at any store of 7-Eleven, Family Mart, Hi-Life, or OK-Mart.
2. Payment by online fund transfer with smart banking card: Visit the online tax payment website (<https://paytax.nat.gov.tw>) for tax payment.
3. Payment by fund transfer via demand (saving) deposits: Responsible taxpayers may use their own demand (saving) deposits to transfer funds for payment through voice service [412-1111/412-6666; put 02 (or 04 or 07) before the number for areas with 5-digit telephone numbers and domestic mobile phones. Put 886-2 (or 4 or 7) before the number from overseas. The service code of the voice service is 166#]. Alternatively, you may go through the online payment service website (same as above) for payment.
4. Payment by credit card: Payment can be made by voice service (same telephone number as above), or through online payment service website (same as above) for payment. After verification and issuance of an authorization code by the card issuer, the payment process is complete. Once complete, the authorized payment cannot be cancelled or modified.
5. For information on the participating smart banking cards, demand (saving) deposit accounts, and credit card processing institution (card issuers), check with the online tax payment service website (same website as above).

**Q13. If the National Taxation Bureau notified the specific taxpayer that the application did not comply with applicable rules and regulations but the notice arrived beyond the original payment due date, what should the taxpayer do?**

**A13:** Responsible taxpayers who are not approved will be sent a new copy of the tax payment voucher with an extension of the payment deadline and an official notice.

**Q14. Business has been bad for owners of SMEs, could business tax be reduced in favor of these owners?**

**A14:** National taxation bureau all over Taiwan shall voluntarily downward adjust the confirmed amount of sales and business tax on business owners with confirmation of the taxable amount for mitigation of their burden. Business owners significantly affected by the pandemic may apply for individual downward adjustment of tax. Respective business owners may obtain application forms from the taxation bureaus all through the country, fill in the form and affix their official seal, and send it in person or by mail to the taxation bureau of the locality of the business place of the business owners for application.

**Q15. Are the enterprises which have paid the employees in the duration of quarantine for prevention of the spread out of the pandemic entitled to preferential treatment in taxation?**

**A15:** As an incentive for the entities (institutions), functional units, schools, legal entities, or groups to pay salaries and their positive action in the prevention of the pandemic, Article 4 of the Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens, when entities (institutions), functional units, schools, legal entities pay salaries to their employees who applied for leave to avoid infection of the pandemic under law, or the care for the daily lives of employees under quarantine or families under quarantine inspection that must be on leave; or respond to the call of the Central Disease Control and Prevention Center in the prevention of the pandemic will be entitled to tax credit at 200% of the salaries paid for the tax payable in the current year. The leave request forms from the employees, the documents for proof of quarantine for inspection of possible infection of the employees or their families issued by public health authorities at all levels, proof of the amount of salaries paid, and the payroll detail should be presented as evidence.