

118TH CONGRESS
1ST SESSION

H. RES. 449

Expressing the sense of the House of Representatives on the value of a tax agreement with Taiwan.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2023

Mr. SMITH of Nebraska (for himself, Ms. DELBENE, Ms. MALLIOTAKIS, and Ms. CHU) submitted the following resolution; which was referred to the Committee on Ways and Means, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Expressing the sense of the House of Representatives on the value of a tax agreement with Taiwan.

Whereas Taiwan is a democratic success story, an economic success story, a key part of global technology supply chains, and a close security partner of the United States;

Whereas the United States has pursued a robust unofficial partnership with Taiwan within the context of the current one-China policy of the United States;

Whereas the Taiwan Relations Act (22 U.S.C. 3301 et seq.) has played an important role in promoting democracy and prosperity in Taiwan, peace and security in the Tai-

wan Strait, and close relations between the United States and Taiwan since 1979;

Whereas Taiwan is the eighth-largest trading partner of the United States, United States exports of goods and services to Taiwan support at least 188,000 American jobs, and Taiwan's cumulative investment in the United States is at least \$13,700,000,000;

Whereas the United States has ongoing economic dialogues with Taiwan that cover a range of trade, technology, and investment issues through the Trade and Investment Framework Agreement Council led by the United States Trade Representative, the U.S.-Taiwan Economic Prosperity Partnership Dialogue led by the Department of State, and the Technology, Trade, and Investment Collaboration framework led by the Department of Commerce;

Whereas the Biden Administration announced the "U.S.-Taiwan Initiative on 21st Century Trade" on June 1, 2022;

Whereas the United States has income tax treaties with 66 countries, including the People's Republic of China, and has agreements with other parties, including Taiwan, related to taxation, such as facilitating implementation of the Foreign Account Tax Compliance Act;

Whereas Taiwan is the United States largest trading partner with whom we do not have an income tax treaty;

Whereas Taiwan has income tax agreements with 34 countries, including countries that have trade agreements with the United States and do not maintain diplomatic relations with Taiwan;

Whereas the United States signed a transportation income tax agreement with Taiwan in 1988, under the auspices

of the American Institute in Taiwan (AIT) and the Co-ordination Council for North American Affairs, which has since been renamed as the Taipei Economic and Cultural Representative Office (TECRO);

Whereas an income tax agreement between the United States and Taiwan could boost bilateral trade and investment by reducing double taxation and increasing economic efficiency and integration; and

Whereas the American Chamber of Commerce in Taipei in its “2022 White Paper” called for the United States and Taiwan to continue exploring an income tax agreement: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) recognizes the importance of Taiwan’s secu-
3 rity and prosperity to the United States own secu-
4 rity and prosperity;

5 (2) encourages the President and the Senate to
6 work with the House of Representatives to avoid or
7 mitigate double taxation between the United States
8 and Taiwan, consistent with United States commit-
9 ments under the Taiwan Relations Act (22 U.S.C.
10 3301 et seq.); and

11 (3) encourages the President to proactively seek
12 other ways to increase trade, technology, and invest-
13 ment ties between the United States and Taiwan.

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