September 18, 2023

The Honorable Kevin McCarthy
Speaker
United States House of Representatives
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Minority Leader
United States Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Democratic Minority Leader
United States House of Representatives
Washington, DC 20510

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

I write on behalf of the Semiconductor Industry Association (SIA), the voice of the U.S. semiconductor industry, to express the urgency of resolving double taxation, and other tax issues, between the United States and Taiwan.

Semiconductors are one of America’s top export industries and a key driver of America’s economic strength, national security, and global competitiveness. As you know, Taiwan plays a critical role in the global semiconductor ecosystem and is a top trading partner for U.S. semiconductor companies. To enhance the competitiveness of semiconductor companies in both the U.S. and Taiwan and support the significant investment in the semiconductor industry in the U.S. following passage of the CHIPS and Science Act,¹ a tax agreement between the U.S. and Taiwan has become a pressing matter and is essential to the success of the new law.

Absent an agreement, companies doing business between the U.S. and Taiwan encounter unnecessary and burdensome barriers to trade. Companies may be subject to double taxation and complications with facilitating multinational sales. Furthermore, without the protections that an agreement would provide, many U.S. or Taiwanese employees on work travel or temporary assignment could be subject to duplicative and complicated income tax regimes. Any legislative proposal to address tax matters between the U.S. and Taiwan should seek to resolve these issues.

As Congress continues its deliberation on a solution, we support efforts to advancing legislation that will achieve these goals in an expeditious manner.

Sincerely,

cc:
The Honorable Ron Wyden, Chairman, U.S. Senate Committee on Finance
The Honorable Mike Crapo, Ranking Member, U.S. Senate Committee on Finance
The Honorable Robert Menendez, Chairman, U.S. Senate Committee on Foreign Relations
The Honorable James E. Risch, Ranking Member, U.S. Senate Committee on Foreign Relations
The Honorable Jason Smith, Chairman, U.S. House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, U.S. House Committee on Ways and Means
The Honorable Michael McCaul, Chairman, U.S. House Committee on Foreign Affairs
The Honorable Gregory Meeks, Ranking Member, U.S. House Committee on Foreign Affairs