Important Notice on Income Tax Withholding for Foreign Nationals

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With the increasing frequency of international exchange, opportunities for foreign scholars to participate in teaching and research activities, for the university to employ foreign assistants, or for overseas Chinese students to work have grown significantly. Because the tax status of foreign nationals differs from that of nationals, sponsoring and administrative units must strictly comply with the relevant regulations when disbursing salaries or other income.

The method of taxation and the applicable tax rate for foreign nationals depend on the actual number of days they reside in Taiwan within the same tax year (January 1 to December 31).

- **Non-resident (fewer than 183 days):** Subject to "withholding at source." The university withholds the tax directly at the time income is paid, and the individual is not required to file a consolidated income tax return the following May.
- **Resident (183 days or more):** Classified as a resident individual of the R.O.C. The withholding agent must withhold tax at the standard resident rate, and the foreign national must file a consolidated income tax return in May each year.

Administrative units may make a preliminary determination based on the period of residence stated in the employment contract, passport visa, or Alien Resident Certificate(ARC). If the individual is expected to reside in Taiwan for a full 183 days or more in that year, tax may be withheld from the outset at the resident rate. If the individual departs partway through the year and stays fewer than 183 days, the withholding must be recalculated at the non-resident rate, with any shortfall collected retroactively.

If a foreign national is determined to be a "non-resident" (fewer than 183 days), the withholding rate applied to their salary income is linked to the R.O.C. minimum wage. According to the latest announcement from the Ministry of Labor, the monthly minimum wage has been raised to NT$29,500 effective in 2026 (Year 115 of the Republic). Withholding agents must apply the following calculation based on the current year's standard:

- **1.5 times the minimum wage (i.e., NT$44,250) or less:** Withhold 6% of the total payment.
- **More than 1.5 times the minimum wage (i.e., NT$44,250):** Withhold 18% of the total payment.

In addition, for non-salary income (such as royalties, prizes or awards from competitions, contests, or lucky draws, or compensation for professional practitioners, etc.), a withholding rate of 20% applies at source.

Filing and Payment Deadlines

1. **Filing and payment within 10 days:** The withholding agent must remit the withheld tax to the National Treasury and file the withholding statement with the tax authority within 10 days from the date the income is paid to the foreign national. Note that this is calculated in calendar days, not business days, making the timeline quite tight.
2. **Income filing before departure:** If a foreign national plans to leave Taiwan partway through the year with no intention of re-entering, and has resided in Taiwan for fewer than 183 days, they must file their income tax return for that year before departure and complete any additional tax payment or settlement.

Therefore, whether it involves a foreign scholar visiting the university to give a lecture, a foreign assistant helping with a research project, or an overseas Chinese student working part-time, the relevant tax regulations must be followed, and sufficient processing time must be allowed for the administrative unit. Oversights should not be allowed to result in late fees or penalties. Properly implementing correct withholding and filing procedures not only protects the tax rights and interests of foreign scholars and assistants, but also helps the university avoid unnecessary administrative penalties for failing to fulfill its withholding obligations.

◎ Source: Ministry of Finance Tax Portal

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