

1. National Taxes

A. e-Filing

(A) Operation of the Electronic Declaration of Individual Income Tax Data

844,105 individual income tax cases were declared via e-Filing in 2013, representing 89.57% of the total, and showing an increase of 8.9% compared with 768,923 cases of 2012.

Data of the No. of Cases Declared of Individual Income Tax Data by Type of Filing(2009-2013)

| Type Taxation Year | Via e-Filing | | Manually | | Via Media | | Total |
|--------------------------|--------------|--------|----------|--------|-----------|--------|---------|
| | Cases | Rate % | Cases | Rate % | Cases | Rate % | Cases |
| 2009 | 776,357 | 92.01 | 45,538 | 5.40 | 21,899 | 2.59 | 843,794 |
| 2010 | 786,649 | 91.99 | 43,912 | 5.13 | 24,605 | 2.88 | 855,166 |
| 2011 | 805,098 | 91.45 | 43,118 | 4.90 | 32,160 | 3.65 | 880,376 |
| 2012 | 768,923 | 91.62 | 47,285 | 5.63 | 23,037 | 2.74 | 839,245 |
| 2013 | 844,105 | 89.57 | 50,342 | 5.34 | 47,972 | 5.09 | 942,419 |

Source: Individual Income Tax Data Electronic Declaration Operations System

(B) Filing of Individual Income Tax Returns via e-Filing

3,263,439 cases of individual income tax returns were filed via e-Filing or electronic media in 2013, representing 79.90% of the total of 4,084,484 of declarations of individual income tax for the year.

No. of Individual Income Tax Returns filed via e-Filing, Manually, and by 2D Barcode Returns by Type of Filing (2009-2013)

| Type Taxation | Via e-Filing | | Manually | | 2D Barcode Returns | | Total |
|------------------|--------------|-------|-----------|-------|-----------------------|-------|-----------|
| | Year | Cases | Rate % | Cases | Rate % | Cases | Rate % |
| 2009 | 3,128,515 | 57.24 | 1,679,054 | 30.72 | 658,418 | 12.04 | 5,465,987 |
| 2010 | 3,334,120 | 62.27 | 1,485,469 | 27.74 | 534,555 | 9.98 | 5,354,144 |
| 2011* | 2,693,622 | 69.28 | 872,881 | 22.45 | 321,452 | 8.27 | 3,887,955 |
| 2012* | 2,785,013 | 75.98 | 673,111 | 18.36 | 207,502 | 5.66 | 3,665,626 |
| 2013* | 3,263,439 | 79.90 | 624,940 | 15.30 | 196,105 | 4.80 | 4,084,484 |

Source: Outputs from the Individual Income Tax Declaration System

* : Excluding the number utilizing the service of the pre-calculation of individual income tax returns

(C) Service of the Pre-Calculation of Individual Income Tax

By mailing a pre-calculation of individual income tax for simple cases, the FIA enables taxpayers to confirm the pre-calculation and to complete their tax declaration via e-Filing. 377,777 cases were declared by this method in 2013, representing 20.04% of the total number of declarations of individual income tax for the year.

No. of Cases Declared Using the Pre-Calculation of Individual Income Tax by Type of Payment (2011-2013)

| Type Taxation | Via e-Filing | | Letter / Telephone | | Straight Payment of Tax In Person | | Total |
|------------------|--------------|-------|--------------------|-------|--------------------------------------|-------|-----------|
| | Year | Cases | Rate % | Cases | Rate % | Cases | Rate % |
| 2011 | 355,666 | 21.93 | 752,115 | 46.37 | 514,211 | 31.70 | 1,621,992 |
| 2012 | 462,591 | 23.09 | 838,982 | 41.88 | 701,727 | 35.03 | 2,003,300 |
| 2013 | 377,777 | 20.04 | 768,372 | 40.76 | 738,990 | 39.20 | 1,885,139 |

Source: Files provided by each National Taxation Bureau

(D) Individual Income Tax e-Filing for Foreigners

85,032 cases were filed via e-Filing or other electronic media, representing 65.46% of the total of 129,883 of such returns filed.

No. of Cases Declared of Individual Income Tax for Foreigners

| Type Taxation Year | Via e-Filing | | Manually | | Via Media | | Total |
|--------------------------|--------------|--------|----------|--------|-----------|--------|---------|
| | Cases | Rate % | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | 28,082 | 26.07 | 73,646 | 68.38 | 5,972 | 5.55 | 107,700 |
| 2012 | 71,390 | 53.48 | 56,120 | 42.04 | 5,968 | 4.47 | 133,478 |
| 2013 | 85,032 | 65.46 | 37,871 | 29.15 | 6,980 | 5.37 | 129,883 |

Source: Files provided by each National Taxation Bureau

(E) Individual Income Tax e-Filing for Professional Practitioners

27,539 cases were declared via e-Filing in 2013 which showed an increase of 10.06% over 2012, representing 68% of the total number of cases of such returns filed.

No. of Cases Declared of Individual Income Tax Returns via e-Filing of Professional Practitioners

| Type Taxation Year | Via e-Filing | | Total |
|-----------------------|--------------|--------|---------|
| | Cases | Rate % | Cases |
| 2011 | 19,515 | 48.79 | 40,000* |
| 2012 | 25,034 | 62.59 | 40,000* |
| 2013 | 27,539 | 68.84 | 40,000* |

Source: Files provided by each National Taxation Bureau

*:Estimate Cases

(F) Filing of Profit-seeking Enterprise Income Tax Return

796,417 cases were filed via e-Filing or other electronic media in 2013, representing 99.60% of the total of 799,609 cases filed.

Collect of Profit-Seeking Enterprise Income Tax Returns

| Type Taxation Year | Via e-Filing | | Manually | | Total |
|--------------------------|--------------|--------|----------|--------|---------|
| | Cases | Rate % | Cases | Rate % | Cases |
| 2009 | 715,877 | 97.16 | 20,944 | 2.84 | 736,821 |
| 2010 | 721,032 | 97.00 | 22,302 | 3.00 | 743,334 |
| 2011 | 747,021 | 98.10 | 14,460 | 1.90 | 761,481 |
| 2012 | 780,649 | 99.73 | 2,109 | 0.27 | 782,758 |
| 2013 | 796,417 | 99.60 | 3,192 | 0.40 | 799,609 |

Source: Files provided by each National Taxation Bureau

(G) Filing of Provisional Income Tax Return

The percentage of provisional income tax returns declared via e-Filing has been close to 100% every year since it reached 100% in 2008.

Collect of Provisional Income Tax Returns

| Type Taxation Year | Via e-Filing | | Manually | | Total |
|--------------------------|--------------|--------|----------|--------|--------|
| | Cases | Rate % | Cases | Rate % | Cases |
| 2009 | 38,414 | 99.99 | 3 | 0.01 | 38,417 |
| 2010 | 30,835 | 100.00 | 0 | 0.00 | 30,835 |
| 2011 | 32,457 | 100.00 | 0 | 0.00 | 32,457 |
| 2012 | 31,199 | 99.98 | 5 | 0.02 | 31,204 |
| 2013 | 29,278 | 99.99 | 2 | 0.01 | 29,380 |

Source: Files provided by each National Taxation Bureau

(H) Business Tax via e-Filing

Provision of the service of business tax declaration via e-Filing, saving time to declare business tax for business entities. This also saving the labor for handling of mail for 779,897 cases were declared via e-Filing in 2013, representing 95.65% of a total of 815,343 cases declared.

Business tax declared by Type in the last five years.

| Type Taxation Year | Via e-Filing | | Manually | | Via Media | | Total |
|--------------------------|--------------|--------|----------|--------|-----------|-------|---------|
| | Cases | Rate % | Cases | Rate % | Cases | Rate% | Cases |
| 2009 | 674,992 | 92.06 | 56,485 | 7.70 | 1,760 | 0.24 | 733,237 |
| 2010 | 704,805 | 93.54 | 47,516 | 6.31 | 1,176 | 0.16 | 753,497 |
| 2011 | 730,410 | 94.33 | 43,076 | 5.56 | 853 | 0.11 | 774,339 |
| 2012 | 757,267 | 95.14 | 38,054 | 4.78 | 617 | 0.08 | 795,938 |
| 2013 | 779,897 | 95.65 | 34,858 | 4.28 | 588 | 0.07 | 815,343 |

Source: Outputs from the Business Returns Management Task

(I) Securities Transactions Tax and Futures Transactions Tax via e-Filing

941 securities transactions tax returns were filed via e-Filing in 2013, representing 69.29% of a total of 1,358. 160 futures transaction tax returns were filed via e-Filing in 2013, representing 72.73% of a total of 220.

No. of Cases Declared of Securities Transactions Tax Data

| Type Taxation Year | Via e-Filing | | Manually | | Total |
|--------------------------|--------------|--------|----------|--------|-------|
| | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | 373 | 27.84 | 967 | 72.16 | 1,340 |

| | | | | | |
|------|-----|-------|-----|-------|-------|
| 2012 | 618 | 44.52 | 770 | 55.48 | 1,388 |
| 2013 | 941 | 69.29 | 417 | 30.71 | 1,358 |

Source: Outputs from the Securities Transactions Tax Declaration System

No. of Cases Declared of Futures Transactions Tax Data

| Type Taxation Year | Via e-Filing | | Manually | | Total |
|-----------------------|--------------|--------|----------|--------|-------|
| | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | 105 | 52.76 | 94 | 47.24 | 199 |
| 2012 | 150 | 72.82 | 56 | 27.18 | 206 |
| 2013 | 160 | 72.73 | 60 | 27.27 | 220 |

Source: Outputs from the Futures Transactions Tax Declaration System

(J) Commodity Tax and Tobacco and Alcohol Tax via e-Filing

Commodity Tax and Tobacco and Alcohol Tax via e-Filing commenced in September, 2011. The number of cases of commodity tax declared monthly via e-Filing in 2013 was 1,036, representing 69.30% of the total cases; the number of cases of tobacco and alcohol tax declared monthly via e-Filing in 2013 was 389, representing 78.74% of the total.

No. of Cases Declared of Commodity Tax Data

| Type Taxation Year | Via e-Filing | | Manually | | Media | | Total |
|-----------------------|--------------|--------|----------|--------|-------|--------|-------|
| | Cases | Rate % | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | 522 | 34.41% | 985 | 64.93% | 10 | 0.66% | 1517 |
| 2012 | 895 | 54.05% | 758 | 45.77% | 3 | 0.18% | 1,656 |
| 2013 | 1036 | 69.30% | 459 | 30.70% | 0 | 0.00% | 1,495 |

Source: Files provided by each National Taxation Bureau

No. of Cases Declared of Tobacco and Alcohol Tax Data

| Type Taxation | Via e-Filing | | Manually | | Media | | Total |
|------------------|--------------|--------|----------|--------|-------|--------|-------|
| | Cases | Rate % | Cases | Rate % | Cases | Rate % | Cases |

| Year | | | | | | | |
|------|-----|--------|-----|--------|---|----|-----|
| 2011 | 271 | 54.64% | 225 | 45.36% | 0 | 0% | 496 |
| 2012 | 353 | 66.23% | 180 | 33.77% | 0 | 0% | 533 |
| 2013 | 389 | 78.74% | 105 | 21.26% | 0 | 0% | 494 |

Source: Files provided by each National Taxation Bureau

(K) Estate Tax and Gift Tax via e-Filing

Estate tax and gift tax e-filing via e-Filing commenced in September, 2011. The number of estate tax cases declared via e-Filing was 497 and the number of gift tax cases declared via e-Filing was 547 in 2013.

No. of Cases Declared of Estate Tax Data

| Taxation Year | Type | Via e-Filing | | Manually | | Total |
|---------------|------|--------------|--------|----------|--------|-------|
| | | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | | 73 | 1.80% | 3,989 | 98.20% | 4,062 |
| 2012 | | 253 | 5.74% | 4,153 | 94.26% | 4,406 |
| 2013 | | 497 | 14.46 | 2939 | 85.54% | 3436 |

Source: Files provided by each National Taxation Bureau

No. of Cases Declared of Gift Tax Data

| Taxation Year | Type | Via e-Filing | | Manually | | Total |
|---------------|------|--------------|--------|----------|--------|--------|
| | | Cases | Rate % | Cases | Rate % | Cases |
| 2011 | | 41 | 0.31% | 13,219 | 99.69% | 13,260 |
| 2012 | | 92 | 0.74% | 12,299 | 99.26% | 12,391 |
| 2013 | | 547 | 13.23% | 3587 | 86.77% | 4,134 |

Source: Files provided by each National Taxation Bureau

B. Individual Income Tax e-Deduction Statement Project

The five areas of National Taxation Bureaus put into practice of individual income tax e-Deduction statement project to allow for the auditing of automated deductions and to provide e-deduction statement downloads for the taxpayer to reduce the cost of individual income tax filing.

C. Service of the Pre-Calculation of Individual Income Tax Returns

Individual taxpayers who meet certain requirements can receive pre-calculated income tax notices and tax bills. If the taxpayers confirm the calculation or pay the tax as stated on the tax bills, they are deemed to have finished their income tax return filing. The number of taxpayers utilizing the aforesaid service was 1.89 million in 2013, which was 32% of the total number of taxpayers.

D. The Specifically Selected Goods and Services Tax Information System

There were 12,683 cases of house and land transactions and three cases of specifically selected goods and 99 cases of specifically selected services declared from 1st June, 2011 to 31st December, 2013, which performance with the results in the case of house and land transactions show the effect in controlling acts of purchasing and selling houses within a short period of time.

E. Comprehensive Promotion of the Use of e-Invoices Project

- (A) To motivate consumers to ask for e-invoices which are due to them when purchasing commodities, the MOF added extra 2000 draws of NTD2000 Prize from 1st July, 2013.
- (B) More than five million chances of lucky draw were held from July to October to encourage consumers to use their personal barcodes and other electronic vehicles.
- (C) Announcement of “The Guidelines for the Issuance of e-Invoices” on 22nd August to apply as of 1st January, 2014.
- (D) Completion of the connection between the e-invoice platform and the Government Budget Accounting (GBA) system.
- (E) Launching of four new policies
 - (a) Unification of the e-invoice forms and passively paper receipt printing for consumers.

- (b) Integration of the e-invoice process in physical and virtual channels.
- (c) Launching of e-invoice D-form special prefix.
- (d) Active issue of the qualification of the use of e-invoices to business entities.

(F) The achieved execution targets were as follows:

The achievement of the targets for key performance indicators in the execution of the e-invoice project in 2013 is shown in the following table.

The e-invoice project in 2013

| Key Performance Indicator | Original Target | Fulfilled Target |
|---------------------------------------|------------------------|-------------------------|
| No. of companies using B2B e-invoices | 33,000 | 44,683 |
| No. of B2B e-invoices issued | 6,500,000 | 12,227 |
| No. of B2C e-invoices issued | 70,000,000 | 370,393 |

Source:Files Provided by E-Invoice Platform

F. The improvement of the audit and operation system for inland taxes and customs duties

- (A) Improvements were made in the sharing of information resources in regard to the imposition of inland taxes and customs duties. Further work was done to improve the efficiency and the selection of cases for audit to prevent tax evasion.
- (B) In order to facilitate the “CPT Single Window” project, promoted by the Customs Administration, the FIA completed the tasks of system programming and test of the taxation information systems on schedule. The “CPT Single Window” Information System became available online commencing on 19th August, 2013.
- (C) To enhance the assessment of tax evasion in Internet purchases, a special team was formed by the Taxation Administration, the Customs Administration, the five areas of National Taxation Bureaus and the FIA. The team is working to detect tax evasion on internet purchases

early by auditing taxation information collected from payment channels, import declarations and the internet.