



June 24, 2024

Chairman Ben Cardin & Ranking Member Jim Risch
Senate Foreign Relations Committee
423 Dirksen Senate Office Building
Washington, D.C. 20510

Chairman Ron Wyden & Ranking Member Mike Crapo
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Cardin, Chairman Wyden, Ranking Member Risch, and Ranking Member Crapo,

The US-Taiwan Business Council and the American Chamber of Commerce in Taiwan commends you and your committees for your strong and ongoing support of the U.S.-Taiwan relationship. The American business community in Taiwan appreciates the backing provided by Congress for this significant trading partner, one that plays such a vital role in many critical technology sectors.

A bilateral tax agreement between the United States and Taiwan - as set forth in the bipartisan *U.S.-Taiwan Expedited Double-Tax Elimination Act* – would provide crucial support not only for our bilateral relationship but also for America's overall efforts to secure our supply chains and accelerate our progress toward reshoring critical technologies.

The United States is currently engaged in an urgent competition to lead in pivotal technology sectors, with China seeking to usurp American dominance in artificial intelligence, quantum computing, cloud services, and the next-generation servers that provide critical network infrastructure. We are in an intense struggle to ensure that our national economic security remains robust in the face of relentless competition from China.

The passage of the *CHIPS and Science Act* has made U.S. reshoring of the semiconductor industry a top bipartisan priority. Indeed, U.S. businesses increasingly see Taiwan's technology ecosystem as an indispensable partner in our pursuit of future American technology leadership. In support, we urgently need to increase the flow of capital between our two economies, and a tax agreement would catalyze that effort.

In the *U.S.-Taiwan Expedited Double-Tax Elimination Act*, Congress has set forth a balanced process to allow negotiations to proceed between the American Institute in Taiwan (AIT) and the Taipei Economic & Cultural Representative Office (TECRO) under the umbrella of domestic legislation. Unfortunately, we are losing time as the domestic vehicle for passage – the *Tax Relief for American Workers Act* – has stalled in Congress.

We are therefore writing to urge the U.S. government to begin substantive engagement with Taiwan on a full, anti-double taxation consultation. The initiation of a consultation between our governments would have two primary benefits:

First, the consultation would make immediate progress toward the urgent goal we all seek, creating a head start before the *U.S.-Taiwan Expedited Double-Tax Elimination Act* is passed by Congress.

Second, if the two sides make it publicly known that consultations have been launched, then American and Taiwan businesses alike can begin to plan for the bilateral benefits that will accrue.



Our two organizations are hereby asking the Senate Finance Committee and Senate Foreign Relations Committee to signal to the U.S. Department of the Treasury that they may now embark on a bilateral consultation that would expedite the negotiation of a double-tax elimination agreement, understanding that the final agreement will ultimately be submitted to Congress for approval.

Sincerely,

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