

Senate Finance Committee Approves Bill to Reduce Withholding Taxes on U.S.-Taiwan Investments, Including through REITs

On Sept. 14, 2023, the Senate Finance Committee marked up and unanimously approved the bipartisan U.S.-Taiwan Expedited Double Tax Relief Act to reduce withholding taxes on cross-border investment from 30% to 15%. The staff of the Joint Committee on Taxation released a [description](#) of the proposed legislation on Sept. 12.

On July 21, Nareit submitted a [letter](#) to the chairs and ranking members of the Congressional tax-writing committees in response to their [July 12 request for comments](#) on their discussion draft of legislation to provide lower taxes on U.S.-Taiwan cross-border investment. The letter recommended that the legislation treat REIT dividends paid to portfolio investors as eligible for the legislation's lower rate of withholding under the same conditions as applicable under current U.S. tax treaty policy, reflected in the [2016 Model Tax Treaty](#). The legislation approved on Sept. 14 by the Senate Finance Committee would apply a 15% withholding tax rate to dividends paid to Taiwan resident shareholders of a publicly traded REIT who own no more than 5% of any class of its stock.