



June 8, 2023

The Honorable Bob Menendez
Chair
Committee on Foreign Relations
United States Senate
Washington, DC 20510

The Honorable Jim Risch
Ranking Member
Committee on Foreign Relations
United States Senate
Washington, DC 20510

Dear Chairman Menendez and Ranking Member Risch:

The U.S. Chamber of Commerce supports S. 1457, the "Taiwan Tax Agreement Act of 2023," a bipartisan bill to authorize the Administration to negotiate and conclude a tax agreement with Taiwan.

Due to the complexity of the U.S. tax system, it is not uncommon to see double taxation of income earned by U.S. companies doing business abroad. For more than eight decades, international tax agreements have helped to promote foreign direct investment by providing relief from double taxation in circumstances where two economies might otherwise assert the right to levy income tax.

International tax agreements make the United States a more attractive destination for foreign investment, and they promote economic growth while fostering fairness and certainty in international tax treatment. These agreements establish clear rules to avoid double taxation and provide administrative procedures for U.S. taxpayers, taxpayers in the partner economy, and the United States and foreign taxing authorities themselves to resolve disagreements and assist in the enforcement of tax laws.

Taiwan is the 10th largest U.S. trading partner, and U.S. direct investment in Taiwan topped \$16 billion in 2021. In the same year, Taiwanese investment in the United States reached \$17 billion. These commercial ties support growth, jobs, and innovation in both the United States and Taiwan.

A U.S.-Taiwan tax agreement would help reduce unnecessary double taxation, prevent tax evasion, and remove barriers to trade between our two economies. The Chamber urges the Committee to expeditiously report this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley".

Neil L. Bradley
Executive Vice President, Chief Policy Officer, and
Head of Strategic Advocacy
U.S. Chamber of Commerce

cc: Members of the U.S. Senate Committee on Foreign Relations