



JOINT COMMITTEE ON TAXATION
September 13, 2023
JCX-38-23

**DESCRIPTION OF THE CHAIRMAN’S MODIFICATION
TO THE CHAIRMAN’S MARK OF THE
“UNITED STATES-TAIWAN EXPEDITED DOUBLE-TAX RELIEF ACT”**

The Chairman’s modification to the Chairman’s Mark of the provisions of the “United States-Taiwan Expedited Double-Tax Relief Act,” which is to be marked up by the Senate Committee on Finance on September 14, 2023, is described below.

The modification provides that payments to entertainers and athletes for services performed in the United States that are generally subject to income tax in the United States may avoid taxation in the United States if such amounts do not exceed in total (including amounts received as reimbursement of expenses) \$30,000 or are accrued not to the entertainer or athlete but to another person who is contractually authorized to designate another person to provide the services.

The amendment is based on the exceptions under Article 16 (Entertainers and Sportsmen) of the United States Model Income Tax Convention of 2016 (“Model Treaty”), which generally provides that entertainers and athletes resident in one treaty partner jurisdiction may be taxed on income earned for services performed in the other treaty jurisdiction by the second jurisdiction (notwithstanding provisions of Article 14 (Income from Employment)).

The provisions of the modification are effective only if reciprocal treatment is provided by Taiwan for U.S. entertainers and athletes.