

who raise horses, beef cattle, sheep, and goats to the entrepreneurs driving new innovation, the healthcare workers caring for our loved ones, and the educators shaping the minds of tomorrow, we are guided by our patriotic love of country.

Our district has a legacy of strong leadership, and I thank and congratulate Dr. Burgess for his service to our district.

Today, I honor the kind and hard-working men and women from Texas' great 26th Congressional District who entrusted me to serve on their behalf. I am honored to call it my home, and I am honored to be their Representative in Washington.

#### RECOGNIZING SOUTHEASTERN LOUISIANA UNIVERSITY'S CENTENNIAL

(Ms. LETLOW asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LETLOW. Mr. Speaker, today, I rise to recognize Southeastern Louisiana University in Hammond, Louisiana, for 100 years of educating students in our State.

My background is in higher education, and I know a good school when I see one. I can confidently say that Southeastern is hitting the mark.

With more than 150 academic programs and over \$1 billion in annual economic impact, Southeastern is truly changing lives. This year, the school saw its highest ever graduation rate and freshman retention rate.

Hitting the century mark is no small achievement, and Southeastern's momentum is only increasing. With their recent record-breaking enrollment increase, Southeastern will continue to shape our Nation's leaders for years to come.

A quality education sets students up for a lifetime of success. By that measure, Southeastern has had a tremendous impact. I thank the wonderful faculty and staff who have made 100 years possible. Under President William Wainwright's leadership, Southeastern is moving in the right direction. I look forward to seeing the great work they do in the school's second century and beyond.

#### WOMEN'S SPORTS FOR WOMEN ONLY

(Mr. FULCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FULCHER. Mr. Speaker, biological men should not be competing in women's athletics. This is a common-sense sentiment that most Americans agree with, especially back in my home State of Idaho.

However, under the Biden administration, the integrity of women's and girls' sports has come under threat. In fact, just this last year, President

Biden rolled out a regulation attempting to usurp States' ability to protect women and girls and make sure they have a safe and fair playing field in sports.

That is why, this week, my House colleagues and I passed the Protection of Women and Girls in Sports Act of 2025. This bill strengthens Title IX protections to ensure the definition of an individual's gender in an athletic competition is based solely on their genetics at birth.

Mr. Speaker, women's and girls' sports are for women and girls only. I proudly voted "yes" on this legislation and encourage my Senate colleagues to do the same.

#### REMEMBERING SONNY SMART

(Mr. CARTER of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER of Georgia. Mr. Speaker, I rise today to mourn the loss of Sonny Smart, who unfortunately passed away this month at the age of 76.

Mr. Smart graduated from Samford in 1970, where he played the position of center on the football team. He joined Holtville High School as an assistant coach shortly after his graduation. Soon, Mr. Smart began his 23-year head coaching career.

At the beginning of his career as a head coach, Mr. Smart was a high school football coach at Bainbridge High School in south Georgia from 1988 to 1994. He then moved on to become the head coach at Rabun County High School of north Georgia in 1995 where he remained until his retirement.

The father of Georgia football Coach Kirby Smart, Sonny Smart was a valued member of the Georgia community. During his time at Bainbridge, he even had the opportunity to coach his son Kirby.

Mr. Smart is survived by his wife, Sharon, and his three children, Karl, Kirby, and Kendall. He will always be remembered as an incredible father, husband, coach, and friend.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess.

□ 1300

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WEBER of Texas) at 1 p.m.

#### UNITED STATES-TAIWAN EXPEDITED DOUBLE-TAX RELIEF ACT

Mr. SMITH of Missouri. Mr. Speaker, pursuant to House Resolution 5, I call

up the bill (H.R. 33) to amend the Internal Revenue Code of 1986 to provide special rules for the taxation of certain residents of Taiwan with income from sources within the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 5, the bill is considered read.

The text of the bill is as follows:

H.R. 33

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### TITLE I—UNITED STATES-TAIWAN EXPEDITED DOUBLE-TAX RELIEF ACT

##### SEC. 101. SHORT TITLE.

This title may be cited as the "United States-Taiwan Expedited Double-Tax Relief Act".

##### SEC. 102. SPECIAL RULES FOR TAXATION OF CERTAIN RESIDENTS OF TAIWAN.

(a) IN GENERAL.—Subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 894 the following new section:

##### "SEC. 894A. SPECIAL RULES FOR QUALIFIED RESIDENTS OF TAIWAN.

"(a) CERTAIN INCOME FROM UNITED STATES SOURCES.—

"(1) INTEREST, DIVIDENDS, AND ROYALTIES, ETC.—

"(A) IN GENERAL.—In the case of interest (other than original issue discount), dividends, royalties, amounts described in section 871(a)(1)(C), and gains described in section 871(a)(1)(D) received by or paid to a qualified resident of Taiwan—

"(i) sections 871(a), 881(a), 1441(a), 1441(c)(5), and 1442(a) shall each be applied by substituting 'the applicable percentage (as defined in section 894A(a)(1)(C))' for '30 percent' each place it appears, and

"(ii) sections 871(a), 881(a), and 1441(c)(1) shall each be applied by substituting 'a United States permanent establishment of a qualified resident of Taiwan' for 'a trade or business within the United States' each place it appears.

"(B) EXCEPTIONS.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply to—

"(I) any dividend received from or paid by a real estate investment trust which is not a qualified REIT dividend,

"(II) any amount subject to section 897,

"(III) any amount received from or paid by an expatriated entity (as defined in section 7874(a)(2)) to a foreign related person (as defined in section 7874(d)(3)), and

"(IV) any amount which is included in income under section 860C to the extent that such amount does not exceed an excess inclusion with respect to a REMIC.

"(ii) QUALIFIED REIT DIVIDEND.—For purposes of clause (i)(I), the term 'qualified REIT dividend' means any dividend received from or paid by a real estate investment trust if such dividend is paid with respect to a class of shares that is publicly traded and the recipient of the dividend is a person who holds an interest in any class of shares of the real estate investment trust of not more than 5 percent.

"(C) APPLICABLE PERCENTAGE.—For purposes of applying subparagraph (A)(i)—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'applicable percentage' means 10 percent.

"(ii) SPECIAL RULES FOR DIVIDENDS.—In the case of any dividend in respect of stock received by or paid to a qualified resident of Taiwan, the applicable percentage shall be 15

percent (10 percent in the case of a dividend which meets the requirements of subparagraph (D) and is received by or paid to an entity taxed as a corporation in Taiwan).

“(D) REQUIREMENTS FOR LOWER DIVIDEND RATE.—

“(i) IN GENERAL.—The requirements of this subparagraph are met with respect to any dividend in respect of stock in a corporation if, at all times during the 12-month period ending on the date such stock becomes ex-dividend with respect to such dividend—

“(I) the dividend is derived by a qualified resident of Taiwan, and

“(II) such qualified resident of Taiwan has held directly at least 10 percent (by vote and value) of the total outstanding shares of stock in such corporation.

For purposes of subclause (II), a person shall be treated as directly holding a share of stock during any period described in the preceding sentence if the share was held by a corporation from which such person later acquired that share and such corporation was, at the time the share was acquired, both a connected person to such person and a qualified resident of Taiwan.

“(ii) EXCEPTION FOR RICS AND REITS.—Notwithstanding clause (i), the requirements of this subparagraph shall not be treated as met with respect to any dividend paid by a regulated investment company or a real estate investment trust.

“(2) QUALIFIED WAGES.—

“(A) IN GENERAL.—No tax shall be imposed under this chapter (and no amount shall be withheld under section 1441(a) or chapter 24) with respect to qualified wages paid to a qualified resident of Taiwan who—

“(i) is not a resident of the United States (determined without regard to subsection (c)(3)(E)), or

“(ii) is employed as a member of the regular component of a ship or aircraft operated in international traffic.

“(B) QUALIFIED WAGES.—

“(i) IN GENERAL.—The term ‘qualified wages’ means wages, salaries, or similar remunerations with respect to employment involving the performance of personal services within the United States which—

“(I) are paid by (or on behalf of) any employer other than a United States person, and

“(II) are not borne by a United States permanent establishment of any person other than a United States person.

“(ii) EXCEPTIONS.—Such term shall not include directors’ fees, income derived as an entertainer or athlete, income derived as a student or trainee, pensions, amounts paid with respect to employment with the United States, any State (or political subdivision thereof), or any possession of the United States (or any political subdivision thereof), or other amounts specified in regulations or guidance under subsection (f)(1)(F).

“(3) INCOME DERIVED FROM ENTERTAINMENT OR ATHLETIC ACTIVITIES.—

“(A) IN GENERAL.—No tax shall be imposed under this chapter (and no amount shall be withheld under section 1441(a) or chapter 24) with respect to income derived by an entertainer or athlete who is a qualified resident of Taiwan from personal activities as such performed in the United States if the aggregate amount of gross receipts from such activities for the taxable year do not exceed \$30,000.

“(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to—

“(i) income which is qualified wages (as defined in paragraph (2)(B), determined without regard to clause (ii) thereof), or

“(ii) income which is effectively connected with a United States permanent establishment.

“(b) INCOME CONNECTED WITH A UNITED STATES PERMANENT ESTABLISHMENT OF A QUALIFIED RESIDENT OF TAIWAN.—

“(1) IN GENERAL.—

“(A) IN GENERAL.—In lieu of applying sections 871(b) and 882, a qualified resident of Taiwan that carries on a trade or business within the United States through a United States permanent establishment shall be taxable as provided in section 1, 11, 55, or 59A, on its taxable income which is effectively connected with such permanent establishment.

“(B) DETERMINATION OF TAXABLE INCOME.—In determining taxable income for purposes of paragraph (1), gross income includes only gross income which is effectively connected with the permanent establishment.

“(2) TREATMENT OF DISPOSITIONS OF UNITED STATES REAL PROPERTY.—In the case of a qualified resident of Taiwan, section 897(a) shall be applied—

“(A) by substituting ‘carried on a trade or business within the United States through a United States permanent establishment’ for ‘were engaged in a trade or business within the United States’, and

“(B) by substituting ‘such United States permanent establishment’ for ‘such trade or business’.

“(3) TREATMENT OF BRANCH PROFITS TAXES.—In the case of any corporation which is a qualified resident of Taiwan, section 884 shall be applied—

“(A) by substituting ‘10 percent’ for ‘30 percent’ in subsection (a) thereof, and

“(B) by substituting ‘a United States permanent establishment of a qualified resident of Taiwan’ for ‘the conduct of a trade or business within the United States’ in subsection (d)(1) thereof.

“(4) SPECIAL RULE WITH RESPECT TO INCOME DERIVED FROM CERTAIN ENTERTAINMENT OR ATHLETIC ACTIVITIES.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to the extent that the income is derived—

“(i) in respect of entertainment or athletic activities performed in the United States, and

“(ii) by a qualified resident of Taiwan who is not the entertainer or athlete performing such activities.

“(B) EXCEPTION.—Subparagraph (A) shall not apply if the person described in subparagraph (A)(ii) is contractually authorized to designate the individual who is to perform such activities.

“(5) SPECIAL RULE WITH RESPECT TO CERTAIN AMOUNTS.—Paragraph (1) shall not apply to any income which is wages, salaries, or similar remuneration with respect to employment or with respect to any amount which is described in subsection (a)(2)(B)(ii).

“(c) QUALIFIED RESIDENT OF TAIWAN.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified resident of Taiwan’ means any person who—

“(A) is liable to tax under the laws of Taiwan by reason of such person’s domicile, residence, place of management, place of incorporation, or any similar criterion,

“(B) is not a United States person (determined without regard to paragraph (3)(E)), and

“(C) in the case of an entity taxed as a corporation in Taiwan, meets the requirements of paragraph (2).

“(2) LIMITATION ON BENEFITS FOR CORPORATE ENTITIES OF TAIWAN.—

“(A) IN GENERAL.—Subject to subparagraphs (E) and (F), an entity meets the requirements of this paragraph only if it—

“(i) meets the ownership and income requirements of subparagraph (B),

“(ii) meets the publicly traded requirements of subparagraph (C), or

“(iii) meets the qualified subsidiary requirements of subparagraph (D).

“(B) OWNERSHIP AND INCOME REQUIREMENTS.—The requirements of this subparagraph are met for an entity if—

“(i) at least 50 percent (by vote and value) of the total outstanding shares of stock in such entity are owned directly or indirectly by qualified residents of Taiwan, and

“(ii) less than 50 percent of such entity’s gross income (and in the case of an entity that is a member of a tested group, less than 50 percent of the tested group’s gross income) is paid or accrued, directly or indirectly, in the form of payments that are deductible for purposes of the income taxes imposed by Taiwan, to persons who are not—

“(I) qualified residents of Taiwan, or

“(II) United States persons who meet such requirements with respect to the United States as determined by the Secretary to be equivalent to the requirements of this subsection (determined without regard to paragraph (1)(B)) with respect to residents of Taiwan.

“(C) PUBLICLY TRADED REQUIREMENTS.—An entity meets the requirements of this subparagraph if—

“(i) the principal class of its shares (and any disproportionate class of shares) of such entity are primarily and regularly traded on an established securities market in Taiwan, or

“(ii) the primary place of management and control of the entity is in Taiwan and all classes of its outstanding shares described in clause (i) are regularly traded on an established securities market in Taiwan.

“(D) QUALIFIED SUBSIDIARY REQUIREMENTS.—An entity meets the requirement of this subparagraph if—

“(i) at least 50 percent (by vote and value) of the total outstanding shares of the stock of such entity are owned directly or indirectly by 5 or fewer entities—

“(I) which meet the requirements of subparagraph (C), or

“(II) which are United States persons the principal class of the shares (and any disproportionate class of shares) of which are primarily and regularly traded on an established securities market in the United States, and

“(ii) the entity meets the requirements of clause (ii) of subparagraph (B).

“(E) ONLY INDIRECT OWNERSHIP THROUGH QUALIFYING INTERMEDIARIES COUNTED.—

“(i) IN GENERAL.—Stock in an entity owned by a person indirectly through 1 or more other persons shall not be treated as owned by such person in determining whether the person meets the requirements of subparagraph (B)(i) or (D)(i) unless all such other persons are qualifying intermediate owners.

“(ii) QUALIFYING INTERMEDIATE OWNERS.—The term ‘qualifying intermediate owner’ means a person that is—

“(I) a qualified resident of Taiwan, or

“(II) a resident of any other foreign country (other than a foreign country that is a foreign country of concern) that has in effect a comprehensive convention with the United States for the avoidance of double taxation.

“(iii) SPECIAL RULE FOR QUALIFIED SUBSIDIARIES.—For purposes of applying subparagraph (D)(i), the term ‘qualifying intermediate owner’ shall include any person who is a United States person who meets such requirements with respect to the United States as determined by the Secretary to be equivalent to the requirements of this subsection (determined without regard to paragraph (1)(B)) with respect to residents of Taiwan.

“(F) CERTAIN PAYMENTS NOT INCLUDED.—In determining whether the requirements of subparagraph (B)(ii) or (D)(ii) are met with respect to an entity, the following payments shall not be taken into account:

“(i) Arm’s-length payments by the entity in the ordinary course of business for services or tangible property.

“(ii) In the case of a tested group, intra-group transactions.

“(3) DUAL RESIDENTS.—

“(A) RULES FOR DETERMINATION OF STATUS.—

“(i) IN GENERAL.—An individual who is an applicable dual resident and who is described in subparagraph (B), (C), or (D) shall be treated as a qualified resident of Taiwan.

“(ii) APPLICABLE DUAL RESIDENT.—For purposes of this paragraph, the term ‘applicable dual resident’ means an individual who—

“(I) is not a United States citizen,

“(II) is a resident of the United States (determined without regard to subparagraph (E)), and

“(III) would be a qualified resident of Taiwan but for paragraph (1)(B).

“(B) PERMANENT HOME.—An individual is described in this subparagraph if such individual—

“(i) has a permanent home available to such individual in Taiwan, and

“(ii) does not have a permanent home available to such individual in the United States.

“(C) CENTER OF VITAL INTERESTS.—An individual is described in this subparagraph if—

“(i) such individual has a permanent home available to such individual in both Taiwan and the United States, and

“(ii) such individual’s personal and economic relations (center of vital interests) are closer to Taiwan than to the United States.

“(D) HABITUAL ABODE.—An individual is described in this subparagraph if—

“(i) such individual—

“(I) does not have a permanent home available to such individual in either Taiwan or the United States, or

“(II) has a permanent home available to such individual in both Taiwan and the United States but such individual’s center of vital interests under subparagraph (C)(ii) cannot be determined, and

“(ii) such individual has a habitual abode in Taiwan and not the United States.

“(E) UNITED STATES TAX TREATMENT OF QUALIFIED RESIDENT OF TAIWAN.—Notwithstanding section 7701, an individual who is treated as a qualified resident of Taiwan by reason of this paragraph for all or any portion of a taxable year shall not be treated as a resident of the United States for purposes of computing such individual’s United States income tax liability for such taxable year or portion thereof.

“(4) RULES OF SPECIAL APPLICATION.—

“(A) DIVIDENDS.—For purposes of applying this section to any dividend, paragraph (2)(D) shall be applied without regard to clause (ii) thereof.

“(B) ITEMS OF INCOME EMANATING FROM AN ACTIVE TRADE OR BUSINESS IN TAIWAN.—For purposes of this section—

“(i) IN GENERAL.—Notwithstanding the preceding paragraphs of this subsection, if an entity taxed as a corporation in Taiwan is not a qualified resident of Taiwan but meets the requirements of subparagraphs (A) and (B) of paragraph (1), any qualified item of income such entity derived from the United States shall be treated as income of a qualified resident of Taiwan.

“(ii) QUALIFIED ITEMS OF INCOME.—

“(I) IN GENERAL.—The term ‘qualified item of income’ means any item of income which emanates from, or is incidental to, the conduct of an active trade or business in Taiwan (other than operating as a holding company, providing overall supervision or administration of a group of companies, providing group financing, or making or managing investments (unless such making or managing

investments is carried on by a bank, insurance company, or registered securities dealer in the ordinary course of its business as such)).

“(II) SUBSTANTIAL ACTIVITY REQUIREMENT.—An item of income which is derived from a trade or business conducted in the United States or from a connected person shall be a qualified item of income only if the trade or business activity conducted in Taiwan to which the item is related is substantial in relation to the same or a complementary trade or business activity carried on in the United States. For purposes of applying this subclause, activities conducted by persons that are connected to the entity described in clause (i) shall be deemed to be conducted by such entity.

“(iii) EXCEPTION.—This subparagraph shall not apply to any item of income derived by an entity if at least 50 percent (by vote or value) of such entity is owned (directly or indirectly) or controlled by residents of a foreign country of concern.

“(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) UNITED STATES PERMANENT ESTABLISHMENT.—

“(A) IN GENERAL.—The term ‘United States permanent establishment’ means, with respect to a qualified resident of Taiwan, a permanent establishment of such resident which is within the United States.

“(B) SPECIAL RULE.—The determination of whether there is a permanent establishment of a qualified resident of Taiwan within the United States shall be made without regard to whether an entity which is taxed as a corporation in Taiwan and which is a qualified resident of Taiwan controls or is controlled by—

“(i) a domestic corporation, or

“(ii) any other person that carries on business in the United States (whether through a permanent establishment or otherwise).

“(2) PERMANENT ESTABLISHMENT.—

“(A) IN GENERAL.—The term ‘permanent establishment’ means a fixed place of business through which a trade or business is wholly or partly carried on. Such term shall include—

“(i) a place of management,

“(ii) a branch,

“(iii) an office,

“(iv) a factory,

“(v) a workshop, and

“(vi) a mine, an oil or gas well, a quarry, or any other place of extraction of natural resources.

“(B) SPECIAL RULES FOR CERTAIN TEMPORARY PROJECTS.—

“(i) IN GENERAL.—A building site or construction or installation project, or an installation or drilling rig or ship used for the exploration or exploitation of the sea bed and its subsoil and their natural resources, constitutes a permanent establishment only if it lasts, or the activities of the rig or ship lasts, for more than 12 months.

“(ii) DETERMINATION OF 12-MONTH PERIOD.—For purposes of clause (i), the period over which a building site or construction or installation project of a person lasts shall include any period of more than 30 days during which such person does not carry on activities at such building site or construction or installation project but connected activities are carried on at such building site or construction or installation project by one or more connected persons.

“(C) HABITUAL EXERCISE OF CONTRACT AUTHORITY TREATED AS PERMANENT ESTABLISHMENT.—Notwithstanding subparagraphs (A) and (B), where a person (other than an agent of an independent status to whom subparagraph (D)(ii) applies) is acting on behalf of a trade or business of a qualified resident of Taiwan and has and habitually exercises an

authority to conclude contracts that are binding on the trade or business, that trade or business shall be deemed to have a permanent establishment in the country in which such authority is exercised in respect of any activities that the person undertakes for the trade or business, unless the activities of such person are limited to those described in subparagraph (D)(i) that, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that subparagraph.

“(D) EXCLUSIONS.—

“(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the term ‘permanent establishment’ shall not include—

“(I) the use of facilities solely for the purpose of storage, display, or delivery of goods or merchandise belonging to the trade or business,

“(II) the maintenance of a stock of goods or merchandise belonging to the trade or business solely for the purpose of storage, display, or delivery,

“(III) the maintenance of a stock of goods or merchandise belonging to the trade or business solely for the purpose of processing by another trade or business,

“(IV) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the trade or business,

“(V) the maintenance of a fixed place of business solely for the purpose of carrying on, for the trade or business, any other activity of a preparatory or auxiliary character, or

“(VI) the maintenance of a fixed place of business solely for any combination of the activities mentioned in subclauses (I) through (V), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

“(ii) BROKERS AND OTHER INDEPENDENT AGENTS.—A trade or business shall not be considered to have a permanent establishment in a country merely because it carries on business in such country through a broker, general commission agent, or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business as independent agents.

“(3) TESTED GROUP.—The term ‘tested group’ includes, with respect to any entity taxed as a corporation in Taiwan, such entity and any other entity taxed as a corporation in Taiwan that—

“(A) participates as a member with such entity in a tax consolidation, fiscal unity, or similar regime that requires members of the group to share profits or losses, or

“(B) shares losses with such entity pursuant to a group relief or other loss sharing regime.

“(4) CONNECTED PERSON.—Two persons shall be ‘connected persons’ if one owns, directly or indirectly, at least 50 percent of the interests in the other (or, in the case of a corporation, at least 50 percent of the aggregate vote and value of the corporation’s shares) or another person owns, directly or indirectly, at least 50 percent of the interests (or, in the case of a corporation, at least 50 percent of the aggregate vote and value of the corporation’s shares) in each person. In any case, a person shall be connected to another if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same person or persons.

“(5) FOREIGN COUNTRY OF CONCERN.—The term ‘foreign country of concern’ has the meaning given such term under paragraph (7) of section 9901 of the William M. (Mac) Thornberry National Defense Authorization

Act for Fiscal Year 2021 (15 U.S.C. 4651(7)), as added by section 103(a)(4) of the CHIPS Act of 2022).

“(6) PARTNERSHIPS; BENEFICIARIES OF ESTATES AND TRUSTS.—For purposes of this section—

“(A) a qualified resident of Taiwan which is a partner of a partnership which carries on a trade or business within the United States through a United States permanent establishment shall be treated as carrying on such trade or business through such permanent establishment, and

“(B) a qualified resident of Taiwan which is a beneficiary of an estate or trust which carries on a trade or business within the United States through a United States permanent establishment shall be treated as carrying on such trade or business through such permanent establishment.

“(7) DENIAL OF BENEFITS FOR CERTAIN PAYMENTS THROUGH HYBRID ENTITIES.—For purposes of this section, rules similar to the rules of section 894(c) shall apply.

“(e) APPLICATION.—

“(1) IN GENERAL.—This section shall not apply to any period unless the Secretary has determined that Taiwan has provided benefits to United States persons for such period that are reciprocal to the benefits provided to qualified residents of Taiwan under this section.

“(2) PROVISION OF RECIPROCITY.—The President or his designee is authorized to exchange letters, enter into an agreement, or take other necessary and appropriate steps relative to Taiwan for the reciprocal provision of the benefits described in this section.

“(f) REGULATIONS OR OTHER GUIDANCE.—

“(1) IN GENERAL.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including such regulations or guidance for—

“(A) determining—

“(i) what constitutes a United States permanent establishment of a qualified resident of Taiwan, and

“(ii) income that is effectively connected with such a permanent establishment,

“(B) preventing the abuse of the provisions of this section by persons who are not (or who should not be treated as) qualified residents of Taiwan,

“(C) requirements for record keeping and reporting,

“(D) rules to assist withholding agents or employers in determining whether a foreign person is a qualified resident of Taiwan for purposes of determining whether withholding or reporting is required for a payment (and, if withholding is required, whether it should be applied at a reduced rate),

“(E) the application of subsection (a)(1)(D)(i) to stock held by predecessor owners,

“(F) determining what amounts are to be treated as qualified wages for purposes of subsection (a)(2),

“(G) determining the amounts to which subsection (a)(3) applies,

“(H) defining established securities market for purposes of subsection (c),

“(I) the application of the rules of subsection (c)(4)(B),

“(J) the application of subsection (d)(6) and section 1446,

“(K) determining ownership interests held by residents of a foreign country of concern, and

“(L) determining the starting and ending dates for periods with respect to the application of this section under subsection (e), which may be separate dates for taxes withheld at the source and other taxes.

“(2) REGULATIONS TO BE CONSISTENT WITH MODEL TREATY.—Any regulations or other guidance issued under this section shall, to

the extent practical, be consistent with the provisions of the United States model income tax convention dated February 7, 2016.”.

(b) CONFORMING AMENDMENT TO WITHHOLDING TAX.—Subchapter A of chapter 3 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

**“SEC. 1447. WITHHOLDING FOR QUALIFIED RESIDENTS OF TAIWAN.**

“For reduced rates of withholding for certain residents of Taiwan, see section 894A.”.

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 894 the following new item:

“Sec. 894A. Special rules for qualified residents of Taiwan.”.

(2) The table of sections for subchapter A of chapter 3 of such Code is amended by adding at the end the following new item:

“Sec. 1447. Withholding for qualified residents of Taiwan.”.

**TITLE II—UNITED STATES-TAIWAN TAX AGREEMENT AUTHORIZATION ACT**

**SEC. 201. SHORT TITLE.**

This title may be cited as the “United States-Taiwan Tax Agreement Authorization Act”.

**SEC. 202. DEFINITIONS.**

In this title:

(1) AGREEMENT.—The term “Agreement” means the tax agreement authorized by section 203(a).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations and the Committee on Finance of the Senate; and

(B) the Committee on Ways and Means of the House of Representatives.

(3) APPROVAL LEGISLATION.—The term “approval legislation” means legislation that approves the Agreement.

(4) IMPLEMENTING LEGISLATION.—The term “implementing legislation” means legislation that makes any changes to the Internal Revenue Code of 1986 necessary to implement the Agreement.

**SEC. 203. AUTHORIZATION TO NEGOTIATE AND ENTER INTO AGREEMENT.**

(a) IN GENERAL.—Subsequent to a determination under section 894A(e)(1) of the Internal Revenue Code of 1986 (as added by the United States-Taiwan Expedited Double-Tax Relief Act), the President is authorized to negotiate and enter into a tax agreement relative to Taiwan.

(b) ELEMENTS OF AGREEMENT.—

(1) CONFORMITY WITH BILATERAL INCOME TAX CONVENTIONS.—The President shall ensure that—

(A) any provisions included in the Agreement conform with provisions customarily contained in United States bilateral income tax conventions, as exemplified by the 2016 United States Model Income Tax Convention; and

(B) the Agreement does not include elements outside the scope of the 2016 United States Model Income Tax Convention.

(2) INCORPORATION OF TAX AGREEMENTS AND LAWS.—Notwithstanding paragraph (1), the Agreement may incorporate and restate provisions of any agreement, or existing United States law, addressing double taxation for residents of the United States and Taiwan.

(3) AUTHORITY.—The Agreement shall include the following statement: “The Agreement is entered into pursuant to the United States-Taiwan Tax Agreement Authorization Act.”

(4) ENTRY INTO FORCE.—The Agreement shall include a provision conditioning entry into force upon—

(A) enactment of approval legislation and implementing legislation pursuant to section 207; and

(B) confirmation by the Secretary of the Treasury that the relevant authority in Taiwan has approved and taken appropriate steps required to implement the Agreement.

**SEC. 204. CONSULTATIONS WITH CONGRESS.**

(a) NOTIFICATION UPON COMMENCEMENT OF NEGOTIATIONS.—The President shall provide written notification to the appropriate congressional committees of the commencement of negotiations between the United States and Taiwan on the Agreement at least 15 calendar days before commencing such negotiations.

(b) CONSULTATIONS DURING NEGOTIATIONS.—

(1) BRIEFINGS.—Not later than 90 days after commencement of negotiations with respect to the Agreement, and every 180 days thereafter until the President enters into the Agreement, the President shall provide a briefing to the appropriate congressional committees on the status of the negotiations, including a description of elements under negotiation.

(2) MEETINGS AND OTHER CONSULTATIONS.—

(A) IN GENERAL.—In the course of negotiations with respect to the Agreement, the Secretary of the Treasury, in coordination with the Secretary of State, shall—

(i) meet, upon request, with the chairman or ranking member of any of the appropriate congressional committees regarding negotiating objectives and the status of negotiations in progress; and

(ii) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the appropriate congressional committees.

(B) ELEMENTS OF CONSULTATIONS.—The consultations described in subparagraph (A) shall include consultations with respect to—

(i) the nature of the contemplated Agreement;

(ii) how and to what extent the contemplated Agreement is consistent with the elements set forth in section 203(b); and

(iii) the implementation of the contemplated Agreement, including—

(I) the general effect of the contemplated Agreement on existing laws;

(II) proposed changes to any existing laws to implement the contemplated Agreement; and

(III) proposed administrative actions to implement the contemplated Agreement.

**SEC. 205. APPROVAL AND IMPLEMENTATION OF AGREEMENT.**

(a) IN GENERAL.—The Agreement may not enter into force unless—

(1) the President, at least 60 days before the day on which the President enters into the Agreement, publishes the text of the contemplated Agreement on a publicly available website of the Department of the Treasury; and

(2) there is enacted into law, with respect to the Agreement, approval legislation and implementing legislation pursuant to section 207.

(b) ENTRY INTO FORCE.—The President may provide for the Agreement to enter into force upon—

(1) enactment of approval legislation and implementing legislation pursuant to section 207; and

(2) confirmation by the Secretary of the Treasury that the relevant authority in Taiwan has approved and taken appropriate steps required to implement the Agreement.

# SEC. 206. SUBMISSION TO CONGRESS OF AGREEMENT AND IMPLEMENTATION POLICY.

(a) SUBMISSION OF AGREEMENT.—Not later than 270 days after the President enters into the Agreement, the President or the President's designee shall submit to Congress—

(1) the final text of the Agreement; and  
(2) a technical explanation of the Agreement.

(b) SUBMISSION OF IMPLEMENTATION POLICY.—Not later than 270 days after the President enters into the Agreement, the Secretary of the Treasury shall submit to Congress—

(1) a description of those changes to existing laws that the President considers would be required in order to ensure that the United States acts in a manner consistent with the Agreement; and  
(2) a statement of anticipated administrative action proposed to implement the Agreement.

# SEC. 207. CONSIDERATION OF APPROVAL LEGISLATION AND IMPLEMENTING LEGISLATION.

(a) IN GENERAL.—The approval legislation with respect to the Agreement shall include the following: "Congress approves the Agreement submitted to Congress pursuant to section 206 of the United States-Taiwan Tax Agreement Authorization Act on \_\_\_\_\_," with the blank space being filled with the appropriate date.

(b) APPROVAL LEGISLATION COMMITTEE REFERRAL.—The approval legislation shall—

(1) in the Senate, be referred to the Committee on Foreign Relations; and  
(2) in the House of Representatives, be referred to the Committee on Ways and Means.

(c) IMPLEMENTING LEGISLATION COMMITTEE REFERRAL.—The implementing legislation shall—

(1) in the Senate, be referred to the Committee on Finance; and  
(2) in the House of Representatives, be referred to the Committee on Ways and Means.

# SEC. 208. RELATIONSHIP OF AGREEMENT TO INTERNAL REVENUE CODE OF 1986.

(a) INTERNAL REVENUE CODE OF 1986 TO CONTROL.—No provision of the Agreement or approval legislation, nor the application of any such provision to any person or circumstance, which is inconsistent with any provision of the Internal Revenue Code of 1986, shall have effect.

(b) CONSTRUCTION.—Nothing in this title shall be construed—

(1) to amend or modify any law of the United States; or  
(2) to limit any authority conferred under any law of the United States,

unless specifically provided for in this title.

# SEC. 209. AUTHORIZATION OF SUBSEQUENT TAX AGREEMENTS RELATIVE TO TAIWAN.

(a) IN GENERAL.—Subsequent to the enactment of approval legislation and implementing legislation pursuant to section 207—

(1) the term "tax agreement" in section 203(a) shall be treated as including any tax agreement relative to Taiwan which supplements or supersedes the Agreement to which such approval legislation and implementing legislation relates; and  
(2) the term "Agreement" shall be treated as including such tax agreement.

(b) REQUIREMENTS, ETC., TO APPLY SEPARATELY.—The provisions of this title (including section 204) shall be applied separately with respect to each tax agreement referred to in subsection (a).

# SEC. 210. UNITED STATES TREATMENT OF DOUBLE TAXATION MATTERS WITH RESPECT TO TAIWAN.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States addresses issues with respect to double taxation with foreign coun-

tries by entering into bilateral income tax conventions (known as tax treaties) with such countries, subject to the advice and consent of the Senate to ratification pursuant to article II of the Constitution.

(2) The United States has entered into more than sixty such tax treaties, which facilitate economic activity, strengthen bilateral cooperation, and benefit United States workers, businesses, and other United States taxpayers.

(3) Due to Taiwan's unique status, the United States is unable to enter into an article II tax treaty with Taiwan, necessitating an agreement to address issues with respect to double taxation.

(b) STATEMENT OF POLICY.—It is the policy of the United States to—

(1) provide for additional bilateral tax relief with respect to Taiwan, beyond that provided for in section 894A of the Internal Revenue Code of 1986 (as added by the United States-Taiwan Expedited Double-Tax Relief Act), only after entry into force of an Agreement, as provided for in section 205, and only in a manner consistent with such Agreement; and  
(2) continue to provide for bilateral tax relief with sovereign states to address double taxation and other related matters through entering into bilateral income tax conventions, subject to the Senate's advice and consent to ratification pursuant to article II of the Constitution.

The SPEAKER pro tempore. The bill shall be debatable for 1 hour, equally divided and controlled by the majority leader and the minority leader, or their respective designees.

The gentleman from Missouri (Mr. SMITH) and the gentlewoman from California (Ms. CHU) each will control 30 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and submit extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the United States-Taiwan Expedited Double-Tax Relief Act, bipartisan legislation that will unleash more American manufacturing investment and jobs and help combat China's harmful influence.

For too long, America has been too dependent on China. It comes at a high price, as communities across this country lose jobs and live with little hope for the future. It also puts America's national security at risk.

This bill before us establishes fair tax treatment for both American workers and businesses operating in Taiwan and puts Americans on equal footing with our competitors around the world.

Enacting this legislation will help create jobs right here at home. U.S. exports to Taiwan support 188,000 American jobs, and Taiwanese investment in the United States supports another 21,000. Reducing burdens on Taiwanese

investment in America will help aid in building new cutting-edge manufacturing plants staffed by American workers. It will help support our domestic semiconductor and chip manufacturing capabilities, securing strategic supply chains and helping us further move away from China.

Citizens and companies from countries like Great Britain, Japan, Australia, and New Zealand and the European Union all enjoy better tax treatment than Americans in Taiwan currently do. That is not right. In fact, the United States is Taiwan's largest trading partner without a tax treaty.

Enhancing our relationship with Taiwan will strengthen the U.S. economy and our national security. Instead of leaving critical supply chains in the hands of the Chinese Communist Party, we need to be making more goods in America, or in partnership with allies like Taiwan that share our interests, to reduce our dependence on China.

This legislation has strong bipartisan support. Last Congress, we took action in authorizing and establishing the first steps in a free trade agreement between the U.S. and Taiwan. As we continue to grow our economic relationship together, a tax treaty represents the logical next move. Advancing this legislation to President Trump's desk is the right thing to do for American workers and our economy as a whole.

I thank Ranking Member NEAL for helping lead this effort and introducing this legislation with me. Today, we are showing the world that American leaders are united in standing up for our workers and businesses.

Mr. Speaker, I urge all of my colleagues to support this bill to help critical American manufacturing sectors and to protect our national and economic security, and I reserve the balance of my time.

Ms. CHU. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 33, the United States-Taiwan Expedited Double-Tax Relief Act. I thank Ranking Member NEAL and Chairman SMITH for working on this significant legislation, which was reported out of the Ways and Means Committee unanimously last Congress.

I also thank Representative SUZAN DELBENE as well as Representatives ADRIAN SMITH and NICOLE MALLIOTAKIS for their partnership. Together, we introduced a resolution last Congress calling to advance legislation to address that barrier, the issue of double taxation on income earned in the United States and Taiwan.

Today, Americans who do business in Taiwan, and those from Taiwan who do business from America, must pay income tax in both places on the same earnings. That hurts businesses of all sizes, as well as individuals who spend time in each market.

For example, without a double-tax treaty, workers from the United States who are sent to Taiwan to train for

their jobs in a domestic chip facility can be taxed twice on the income they earn on that trip.

The U.S. has eliminated this problem through bilateral income tax treaties with more than 60 countries, but not with Taiwan. That is because of its unique political status which prevents us from negotiating a traditional tax treaty. As a result, among our top 10 trading partners, only Taiwan lacks a double-tax agreement.

We should forge an agreement both because Taiwan is a leading democracy in Asia and because their investment in the United States supports at least 188,000 American jobs, including many in my southern California district, which is home to one of the largest communities of people from Taiwan in the U.S.

In 2023, I met with some of them here in Washington, D.C., to discuss the barrier posed by this double taxation. They told me stories of facing huge tax bills after doing business in both markets and having to curtail their cross-border investment as a result.

The American Institute in Taiwan conducted a survey of Taiwanese companies with a presence here in the United States, and 79 percent of them reported that double taxation of income is a considerable factor that prevents them from investing more in the U.S.

There is a solution, which is the legislation before us today. Specifically, this bill reduces the withholding of taxes and lays the groundwork for the Treasury Department to finalize the details of a permanent arrangement, based on the model income tax treaty that we have with scores of other countries, to mitigate double taxation, prevent abuse, allow for dispute resolution, and exchange key tax information that will help revenue authorities in both jurisdictions.

This bill would ensure that our Nation can take full advantage of the historic investments that we have made under the Biden-Harris administration, like the bipartisan CHIPS and Science Act. Because of that law, new chip fabs are under construction in places like Ohio and operational and producing chips in Arizona, but these factories are enormously complicated and expensive. Even with the billions of dollars in investments from the Department of Commerce, the math simply might not pencil out for a project if the company will be subject to double taxation as soon as they turn a profit.

From major chip companies to small businesses in southern California and across the country, it is clear that mitigating double taxation between the U.S. and Taiwan is crucial. It will only become more important as Congress continues to work in a bipartisan manner to strengthen our economic relations with Taiwan.

Last Congress, we approved the first phase of the U.S.-Taiwan Initiative on 21st Century Trade negotiated by USTR and TECRO, and I have ex-

pressed my support for going even further and negotiating a comprehensive bilateral trade agreement with Taiwan.

To unlock the benefits made possible by our strengthening partnership, we must ensure that businesses are not at a competitive disadvantage.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. KELLY), who is the chairman of the Tax Subcommittee.

Mr. KELLY of Pennsylvania. Mr. Speaker, I rise today in support of H.R. 33, the United States-Taiwan Expedited Double-Tax Relief Act.

This bill would be the first step in establishing an informal tax treaty with our ally Taiwan. Currently, Taiwan is our largest trading partner without a tax treaty. Through fair and reciprocal tax treatment, H.R. 33 would deepen our economic relationship with Taiwan, specifically our semiconductor and chip manufacturing industries, and secure strategic supply chains.

America should not have to rely on foreign adversaries like China for our supply chains when we can partner with better allies like Taiwan. If we have learned anything from the pandemic, it is that we cannot rely on people who do not feel the same as we do to supply us with needed products.

As conflicts continue to rise across the globe, we must build our relationships with strong democracies like Taiwan. In recent years, we have watched China strengthen trade ties with nations across the globe, including American adversaries Iran and North Korea. China is also expanding its influence throughout the Western Hemisphere.

The Monroe Doctrine and the Roosevelt Corollary stated very clearly back at the turn of the century what could happen from the 1800s going to the 2000s. When you look at what is happening now, Mr. Speaker, China is now at both ends of our Panama Canal. As you follow that 51 miles of the Panama Canal, China is on both sides of the canal. They are saying that, no, we don't understand and that this is just for trade. Mr. Speaker, this can quickly be converted into something else.

As President Trump and I recently noted, the Panama Canal is a vital trade global route that includes 40 percent of all U.S. container shipping. At some point, America must wake up to what is happening. We cannot rely on an adversary to supply us with needed goods, and then they make the decision of what they will send us and what they will not send us.

Our ally is Taiwan, and we need to have a stronger tie with them.

Mr. Speaker, I thank Chairman SMITH for sponsoring this critical piece of legislation. All of my colleagues from Ways and Means are here to talk on the same subject, and we will continue this work. I think, as we go into the 21st day of January, we will see this incredible movement toward making America great again.

I thank, again, Chairman SMITH for sponsoring this, my Ways and Means colleagues for their continuous work, and Speaker JOHNSON for bringing this bill to the floor. I look forward to working with the Senate and President-elect Trump to get the bill signed into law.

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Ms. CHU. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise in support of H.R. 33, the United States-Taiwan Expedited Double-Tax Relief Act. This bill represents a bilateral tax agreement that prevents doubling taxation on U.S. and Taiwanese businesses and workers.

This bill helps promote Taiwanese investment in the United States and job creation. The bill provides benefits to Taiwanese residents similar to those provided in the 2016 U.S. model tax treaty.

Importantly, these new provisions do not take effect until Taiwan offers American residents the same benefits. The bill, H.R. 33, would strengthen trade relations, increase manufacturing production, boost innovation, create economic growth for the U.S. and Taiwan, and allow our country to compete more effectively with China by increasing trade and business commerce in both goods and services.

Mr. Speaker, I encourage all of my colleagues to vote "yes" for H.R. 33. It is good for Americans, as well as Taiwanese, and good for both countries.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. LAHOOD), the chair of the Work and Welfare Subcommittee.

Mr. LAHOOD. Mr. Speaker, I thank the chairman for his leadership on this bill.

Mr. Speaker, I rise today in strong support of the United States-Taiwan Expedited Double-Tax Relief Act.

In today's global economy, it is customary for the United States to enter into tax treaties with like-minded allies to lessen potential double-tax burdens and encourage cross-border investment.

The United States currently has tax agreements with over 60 foreign tax jurisdictions. Yet, due to its unique political status, even as our seventh largest trading partner, we do not have a formal tax arrangement in place with Taiwan.

This bipartisan legislation before us today would finally change that. This bill makes necessary changes to our tax code to provide much-needed certainty to businesses and workers between our two countries.

As a member of both the Ways and Means Trade Subcommittee and our Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, I know how important our relationship with Taiwan is, both in terms of trade and national security.



This bill will open the door for us to continue to develop a strong economic partnership, especially in the technology and semiconductor sectors, and help the United States reduce our reliance on China.

Mr. Speaker, I thank the chairman, Speaker JOHNSON, and all the members of the Ways and Means Committee for bringing this legislation to the floor today.

Ms. CHU. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I thank the gentlewoman for yielding, and I thank the chairman for bringing this bill to the floor.

Mr. Speaker, I rise today to support the United States-Taiwan Expedited Double-Tax Relief Act.

This is a bipartisan bill that would address the issue of double taxation between Taiwan and the United States. That is an issue that has long impaired our mutual investment opportunities, including the ability of the United States to shore up the semiconductor supply chain and fully capitalize on the potential of our partnership with Taiwan.

Mr. Speaker, I don't need to remind my colleagues of the security challenges that we faced during the pandemic, when we dealt with the overwhelming supply chain issues, especially for semiconductor chips.

That shortage led to sky-high prices for everyday items, and it impacted critical industries in healthcare, defense, and the technology sector.

What we quickly realized is that one of the ways that we can prevent such shortages is to partner with trusted producers like Taiwan and increase mutual investment that can lead to supply chain security.

However, that type of investment that is needed for this type of partnership is hard to do when there is double taxation. It simply won't happen when income is taxed in the country where it is earned and then taxed again when it is repatriated back to its home country.

That is just not a recipe for investment, for partnership, for success, and for our security. That is why we need to pass this legislation that allows us to enter into a treaty with Taiwan that limits that type of double taxation.

Mr. Speaker, as was just heard from my colleague from Illinois (Mr. LAHOOD), Taiwan is the seventh largest trading partner of the United States, yet it is also the largest trading partner without this type of tax agreement.

During both of my two visits to Taiwan last year, this issue came up with President Lai in that he said to our delegation: This is a way to improve our economies and our security.

He knows and we know that the Taiwanese companies that are investing in semiconductor facilities right here in America and are helping fulfill the objectives of the CHIPS and Science Act need the tax relief and regulation clarity now more than ever.

The bipartisan legislation that we are considering today would address this issue by setting a framework for such a treaty, reducing tax withholding rates, and providing clear guidelines for what is taxed, who is taxed, and when it is taxed.

Putting it simply, Mr. Speaker, it would establish clarity and certainty by ending double taxation, encouraging investment, and strengthening our economic partnership.

Mr. Speaker, despite the policy of strategic ambiguity when it comes to the defense of Taiwan, what is clear is that the United States supports the people of Taiwan and a strong economic partnership with Taiwan with this bipartisan legislation that ultimately bolsters our stability, our prosperity, and the security of both of our great nations.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as she may consume to the gentlewoman from West Virginia (Mrs. MILLER).

Mrs. MILLER of West Virginia. Mr. Speaker, I thank Chairman SMITH for yielding me time.

Mr. Speaker, I rise today in support of H.R. 33. Taiwan and the United States have a long and productive relationship. Last fall, I had the opportunity to visit Taipei and learn about the robust investments Taiwan is making right there in semiconductor manufacturing. Taiwanese companies are also making large investments right here in the United States.

Ending double taxation between our two countries will be beneficial to both the American businesses in Taiwan and the Taiwanese businesses investing in the United States. I deeply value our continued partnership with our ally Taiwan, and I know that this bill will go a long way to secure our economic relationship for years to come.

As a member of the Trade Subcommittee, ensuring mutually beneficial relationships with our allies is very important to me. Of course, being a West Virginian, I always welcome our friends from Taiwan to come visit our beautiful State.

Ms. CHU. Mr. Speaker, I yield 2 minutes to the gentlewoman from the Virgin Islands (Ms. PLASKETT).

Ms. PLASKETT. Mr. Speaker, I rise today in support of H.R. 33.

This legislation, supported by the Biden-Harris administration, is an opportunity for the United States to strengthen its economic ties with Taiwan. H.R. 33 creates a new section within the tax code to facilitate mutual investment from the United States into Taiwan and vice versa by reducing double taxation traps for Taiwanese residents with income from sources within the United States.

By removing these traps, H.R. 33 facilitates the creation of a strong domestic semiconductor ecosystem, creates jobs, and incentivizes investments in semiconductor technology and our American economy.

Securing our Nation's position at the forefront of the chip manufacturing

race is possible only if we constantly work to remove the barriers to developing American manufacturing, both in our tax code and regulatory environment.

The United States and Taiwan have long shared a strong economic partnership powered by extensive two-way trade, and we must ensure that this partnership remains robust. It is critical that we work to improve our existing trade agreement with Taiwan and ensure that future trade agreements continue to facilitate the development of domestic American manufacturing.

As elected officials, it is our responsibility to ensure the tax code works for the benefit of all. Supporting H.R. 33 makes certain that our tax code reflects the values of fairness and trust.

As a member of the Intelligence Committee in the 118th Congress, I can tell my colleagues that this increased trade, both in the Pacific and viewed throughout the world, is helpful to America's strength.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. HERN).

Mr. HERN of Oklahoma. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, combating the CCP's malign influence across the globe demands strong partnerships and a steady backbone. Our partnership with Taiwan is critical to that goal.

In 2023, I led a delegation to Taiwan, where we met with former President Tsai and current President Lai. We saw firsthand the importance of the economic partnership between our great nations, a partnership meaningful not only in economic terms, but in the true friendship and goodwill we share, as well as our common values. Taiwan is fighting for the very thing that our Founding Fathers did: freedom and opportunity.

Taiwan does not ask for our support without bringing their own strengths to the table. They have increased investment in domestic research and development to improve their own deterrence capabilities and are invested heavily in the semiconductor industry here in the United States of America.

Unfortunately, without a formal tax treaty with Taiwan, double taxation is deterring further Taiwanese investments in the United States. This unique issue requires a unique solution. H.R. 33 will alleviate the double taxation burden and, in turn, bolster the U.S. supply chain.

Mr. Speaker, I am proud to support H.R. 33 today, and I urge all of my colleagues to vote "yes."

Ms. CHU. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. AUCHINCLOSS).

Mr. AUCHINCLOSS. Mr. Speaker, I rise today in support of H.R. 33, the United States-Taiwan Expedited Double-Tax Relief Act.

This bill codifies the strong partnership between the United States and

Taiwan by granting benefits to Taiwan's residents that invest in the United States without the undue burden of additional taxation.

Taiwan's vibrant democracy and strong economy represent opportunity in the Indo-Pacific. In 2024, the United States was Taiwan's largest destination for its direct foreign investment, totaling more than \$14 billion.

To date, the United States has signed double taxation agreements with over 60 countries, including the People's Republic of China. It does not have one with Taiwan. The scope and severity of the threat from the Chinese Communist Party is crystallized in the Taiwan Strait, which is under constant harassment.

The United States and Taiwan should help support each other's democracies through collaboration on countering disinformation and propaganda. We should go further to strengthen one another's economies through increased flows of trade and investment by negotiating expanded market access, common rules, and the end of this double taxation on Taiwanese investment in the United States. This is especially critical as we look to revive U.S. semiconductor manufacturing.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. CHU. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Massachusetts.

Mr. AUCHINCLOSS. Mr. Speaker, as the United States seeks to strengthen our position in the Indo-Pacific, let us commit to Taiwan as a long-term ally.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. MORAN), one of our newest members of the Ways and Means Committee.

Mr. MORAN. Mr. Speaker, I rise in strong support of the United States-Taiwan Expedited Double-Tax Relief Act.

Taiwanese companies in America, including those in critical semiconductor sectors, face double tax burdens due to the lack of a U.S.-Taiwan tax agreement.

Taiwan is one of our largest trading partners without such a treaty, yet it supports more than 22,000 U.S. jobs and contributed \$185 million to U.S. research in 2021.

This bill addresses these issues by eliminating double taxation, reducing withholding tax rates, and clarifying residency rules. It strengthens our economic alliance with Taiwan, ensuring a reliable supply chain for semiconductors and reducing dependence on China and our adversaries.

In my home State of Texas, Taiwanese tech companies are investing billions in advanced manufacturing, but double taxation threatens their ability to operate effectively. Today's bipartisan bill equips us to expand cross-border investment, safeguard critical supply chains, and push back against China's growing influence.

Without this legislation, we will risk alienating Taiwan, one of our strongest

partners in the Indo-Pacific region. We also risk ceding more power to China in the Taiwan Strait and isolating ourselves further on the global economic stage. That is simply unacceptable.

This bill is critical to reaffirming our commitment to economic growth, national security, and the U.S.-Taiwan partnership.

Mr. Speaker, I urge my colleagues in Congress to support this vital legislation to do just that.

Ms. CHU. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MIN).

Mr. MIN. Mr. Speaker, I was just elected to represent California's 47th Congressional District in the heart of Orange County, and we have quite a sizeable Chinese-American population.

I have spoken with many constituents who are deeply concerned about the future of Taiwan, particularly in the face of increased aggression and a lot of rhetoric.

Mr. Speaker, I think it is important that we signal here that we are strengthening the relationship between our two countries.

For the past 75 years, the United States and Taiwan have enjoyed a special relationship, one rooted in our shared values of freedom and democracy.

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That has also been bolstered by a strong national security relationship founded on Ronald Reagan's Six Assurances to Taiwan. Of course, we have had a strong economic relationship based on a lot of mutual trade and investment, including around semiconductor chips and other critical goods.

Now, this is the seventh largest trading partner of the United States. It is a large trading partner of my State of California. I think it is important we end this regime of double taxation, continue strengthening our ties, encouraging more economic investments, and ensuring that we are bolstering our national security.

Mr. Speaker, I urge my colleagues to vote "aye."

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. BEAN), one of the newest members to the Ways and Means Committee.

Mr. BEAN of Florida. Mr. Speaker, I thank Chairman SMITH for yielding.

Mr. Speaker, standing up to the Chinese Communist Party is a no-brainer, and standing up to Communist China means standing with Taiwan.

Mr. Speaker, Taiwan's security and economic prosperity are important to the United States and the rest of the world. Why? That is because if anything were to happen to Taiwan, the effect on the global economy would be devastating.

Here are the numbers: Taiwan is the United States' 7th largest trading partner, 10th largest export market, and 8th largest source of imports. Taiwan is the biggest trading partner without a deal with the United States.

Today, Taiwan is and will remain one of our most strategic partners and allies in the region. This is not only because of our shared values of democracy, peace, and freedom, but also our economic ties.

As Communist China continues to threaten America's interests, we must do all we can to strengthen our partnership with Taiwan. That is why, Mr. Speaker, we need H.R. 33, the United States-Taiwan Expedited Double-Tax Relief Act.

Mr. Speaker, I urge my colleagues to stand with me and support my friend from Missouri, Chairman JASON SMITH, and his timely bill to strengthen our economic ties with Taiwan and empower Americans doing business in the country.

The correct answer on H.R. 33 is a "yes" vote.

Mr. Speaker, this bill makes it clear that the United States stands with our economic ally and supports a strong and prosperous Taiwan.

Ms. CHU. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. YAKYM), another new member of the Ways and Means Committee.

Mr. YAKYM. Mr. Speaker, I rise in strong support of the United States-Taiwan Expedited Double-Tax Relief Act.

The EU, U.K., Japan, Australia, and New Zealand are among the countries that have a tax treaty with Taiwan. The U.S. is not one of them. In fact, Taiwan is our largest trading partner and ally that isn't covered by a tax treaty.

This puts American companies and citizens at a competitive disadvantage. The bill before us would level the playing field. It would incentivize Taiwan to provide tax benefits to Americans that are similar to those of a tax treaty. Once Taiwan has done so, the United States would provide those same benefits to Taiwan.

Taiwan is a key partner in derisking our supply chains away from China. Taiwanese investment already supports 21,000 American jobs, and over \$1.5 billion in American exports. Reducing double taxation will strengthen our partnership, increase bilateral investment, and create jobs.

Mr. Speaker, I thank Chairman SMITH and Ranking Member NEAL for their leadership on this issue. I urge my colleagues to support this bill.

Ms. CHU. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. SMITH), the chairman of the Subcommittee on Trade.

Mr. SMITH of Nebraska. Mr. Speaker, I rise today in support of the United States-Taiwan Expedited Double-Tax Relief Act.

The bill, as we have been hearing, would align the tax treatment of income earned in the U.S. by Taiwanese



residents and businesses with that of any other foreign national from a country with whom the United States has a tax treaty, preventing the double taxation of Taiwanese residents and businesses engaging in business with Americans.

As we know, Taiwan is an important and strategic ally in the Indo-Pacific region, and a democratic success story, I might add a lowercase democratic success story, but we know that it is the eighth largest trading partner to our country.

U.S. exports to Taiwan support hundreds of thousands of American jobs, and cumulative Taiwanese investment in the U.S. totals more than \$137 billion.

Taiwan also plays a critical role in our technology supply chains as we have been hearing and is certainly a key national security partner.

Despite this, on the list of the 66 countries the U.S. currently has income tax treaties with, including China, Taiwan is conspicuously absent.

Eliminating the undue double taxation of Taiwanese residents and businesses promotes economic efficiency and integration, strengthens our strategic partnership with Taiwan, and reinforces the long-term economic stability American businesses and our trusted allies need to invest for the future and combat the influence of bad actors.

In the face of regular threats to its security and economic stability by a predatory adversary, Taiwan and its people have called on us to live up to our commitment as a strategic partner and friend to freedom-loving nations.

This is a good bill which delivers an overdue solution to an issue which has strong bipartisan support. I appreciate the discussions that we have been having here today. This strengthens ties that we have with a trusted ally, as well.

Mr. Speaker, I strongly encourage all my colleagues to support the bill.

Ms. CHU. Mr. Speaker, I yield myself the balance of my time.

In closing, Taiwan is the only one of our top 10 trading partners with whom we do not have an income tax agreement, and we need to solve this problem by taking advantage of our robust and growing economic partnership. That is why the Ways and Means Committee favorably reported this bill in a unanimous bipartisan vote last Congress. I enthusiastically support this legislation, and I urge my colleagues to vote "yes."

Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, to continue to rely on China for critical items like semiconductors and chips is very dangerous. There is no reason America can't make those same items. This bipartisan bill will remove unfair tax barriers for American workers and businesses, strengthen our Nation's

manufacturing base, and grow jobs right here at home.

The United States is Taiwan's largest trading partner without a tax treaty, and that means American workers are at a disadvantage. If the relationship between the United States and Taiwan is to serve as a defense against China, our workers must be on equal footing with one another. I hope my colleagues will join me in supporting this critical bill that will shift control over our economy away from China and back toward American workers and businesses.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NUNN of Iowa). All time for debate has expired.

Pursuant to House Resolution 5, the previous question is ordered on the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. SMITH of Missouri. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Avery M. Stringer, one of his secretaries.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 39 minutes p.m.), the House stood in recess.

□ 1600

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. VAN DREW) at 4 p.m.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Proceedings will resume on questions previously postponed. Votes will be taken in the following order:

Motions to suspend the rules and pass:

H.R. 164, and

H.R. 144; and

Passage of H.R. 33.

The first electronic vote will be conducted as a 15-minute vote. Pursuant to clause 9 of rule XX, remaining elec-

tronic votes will be conducted as 5-minute votes.

#### PROMOTING OPPORTUNITIES TO WIDEN ELECTRICAL RESILIENCE ACT OF 2025

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 164) to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize Federal agencies to provide certain essential assistance for hazard mitigation for electric utilities, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. GRAVES) that the House suspend the rules and pass the bill.

The vote was taken by electronic device, and there were—yeas 419, nays 2, not voting 12, as follows:

[Roll No. 13]

YEAS—419

|             |             |                 |
|-------------|-------------|-----------------|
| Adams       | Ciscomani   | Finstad         |
| Aderholt    | Cisneros    | Fischbach       |
| Aguilar     | Clark (MA)  | Fitzgerald      |
| Alford      | Clarke (NY) | Fitzpatrick     |
| Allen       | Cleaver     | Fleischmann     |
| Amo         | Cline       | Fletcher        |
| Amodei (NV) | Cloud       | Flood           |
| Ansari      | Clyburn     | Fong            |
| Arrington   | Clyde       | Poster          |
| Auchincloss | Cohen       | Foushee         |
| Babin       | Cole        | Foxx            |
| Bacon       | Collins     | Frankel, Lois   |
| Baird       | Comer       | Franklin, Scott |
| Balderson   | Conaway     | Friedman        |
| Balint      | Connolly    | Frost           |
| Barr        | Correa      | Fry             |
| Barragán    | Costa       | Fulcher         |
| Barrett     | Courtney    | Garamendi       |
| Baumgartner | Craig       | Garbarino       |
| Bean (FL)   | Crane       | Garcia (CA)     |
| Beatty      | Crank       | Garcia (IL)     |
| Begich      | Crawford    | Garcia (TX)     |
| Bell        | Crenshaw    | Gill (TX)       |
| Bentz       | Crockett    | Gillen          |
| Bera        | Crow        | Jimenez         |
| Bergman     | Cuellar     | Golden (ME)     |
| Beyer       | Dauids (KS) | Goldman (NY)    |
| Bice        | Davidson    | Goldman (TX)    |
| Biggs (AZ)  | Davis (IL)  | Gomez           |
| Biggs (SC)  | Davis (NC)  | Gonzales, Tony  |
| Bilirakis   | De La Cruz  | Gonzalez, V.    |
| Bishop      | Dean (PA)   | Gooden          |
| Boebert     | DeGette     | Goodlander      |
| Bonamici    | DeLauro     | Gosar           |
| Bost        | DelBene     | Graves          |
| Boyle (PA)  | Deluzio     | Gray            |
| Bresnahan   | DeSaulnier  | Green (TN)      |
| Brown       | DesJarlais  | Green, Al (TX)  |
| Brownley    | Dexter      | Greene (GA)     |
| Buchanan    | Diaz-Balart | Griffith        |
| Budzinski   | Dingell     | Grothman        |
| Burchett    | Doggett     | Guest           |
| Burlison    | Donalds     | Guthrie         |
| Bynum       | Downing     | Hageman         |
| Calvert     | Dunn (FL)   | Hamadeh (AZ)    |
| Cammack     | Edwards     | Harder (CA)     |
| Carbajal    | Elfreth     | Haridopolos     |
| Carey       | Ellzey      | Harrigan        |
| Carson      | Emmer       | Harris (MD)     |
| Carter (GA) | Escobar     | Harris (NC)     |
| Carter (LA) | Espaillat   | Harshbarger     |
| Carter (TX) | Estes       | Hayes           |
| Casar       | Evans (CO)  | Hern (OK)       |
| Case        | Evans (PA)  | Higgins (LA)    |
| Casten      | Ezell       | Hill (AR)       |
| Castor (FL) | Fallon      | Himes           |
| Castro (TX) | Fedorchak   | Hinson          |
| Cherfilus-  | Feenstra    | Horsford        |
| McCormick   | Fields      | Houchin         |
| Chu         | Figures     | Houlihan        |