


Content

Title :	Regulations for Reducing Business and Entertainment Taxes for Cultural and Arts-related Enterprises 
Date :	2021.11.19
Legislative :	1. Announced on June 30th, 1993 2. Amended on September 16th, 2003 3. Amended on May 19th, 2016 4. Amended on January 29th, 2021 5. Amended on November 19th, 2021
Content :	<p>Article 1 These Regulations are prescribed according to Paragraph 2 of Article <u>31</u> of the Culture and Arts Reward and Promotion Act ("the Act").</p> <p>Article 2 The following enterprises engaged in the display, performance, projection or broadcast, auction, or other cultural and artistic activities relating to Article <u>3</u> of the Act may apply to the Ministry of Culture to receive approval for a business tax exemption or reduction of entertainment tax on the income generated from cultural services or sales. Businesses engaged in activities related to Article <u>3</u> of the Act concerning the publication or importation of books may apply to the Ministry of Culture for business tax exemption for income generated by the sale of published or imported books:</p> <p style="padding-left: 40px;">Public cultural organizations, <u>schools</u>, public welfare groups or foundations legally existing under the General Principles of the Civil Code, <u>and</u> other cultural and arts-related enterprises that have already registered with the competent authority in charge or with the court.</p> <p style="padding-left: 40px;">Cultural and arts-related enterprises that have completed company, commercial, or limited partnership registration.</p> <p>For books whose publishers or importers ceased operations or disbanded prior to February 28, 2021, enterprises engaged in the wholesale or retailing of said publications may apply to the Ministry of Culture for business tax exemption on the income generated from the sale of such titles.</p> <p>Where a book has been published by a natural person, an enterprise engaged in the wholesale or retail sale of such titles may apply to the Ministry of Culture for business tax exemption on the income generated from the sale of such titles.</p> <p>The scope of published books of culture and arts enterprises applying for business tax exemption in accordance with the regulations stipulated in the three preceding paragraphs shall be determined by the ISBN number or eISBN.</p> <p>Article 3 For an application for business tax exemption or entertainment tax reduction referred to in Paragraph 1 through Paragraph 3 of the previous Article to be approved, an application form shall be submitted with the following documents:</p> <p style="padding-left: 40px;">evidentiary documents concerning the terms stipulated in Paragraph 1, Paragraph 2, or Paragraph 3 above;</p> <p style="padding-left: 40px;">materials related to participation in culture and arts activities or of book publishing, import, wholesale, or retail business;</p> <p style="padding-left: 40px;">the responsible person's identification papers; and</p> <p style="padding-left: 40px;">other documents and information as prescribed by the Ministry of Culture.</p> <p>Article 4 Application documents and information must be provided within the following timeframes. Late applications will not be processed:</p> <p style="padding-left: 40px;">Exhibitions, performance, projection or broadcast, auction, or other</p>

cultural and artistic activities: one month prior to the event's start.

Book publishing or import: Prior to the date of publication or one month after the day after import. Where the publisher is a natural person, one month from the day after the date of publication.

The Ministry of Culture shall define "date of publication" as used in Subparagraph 2 of the preceding Paragraph separately.

Books published or imported prior to February 28, 2021, are not subject to the prior regulation concerning appended documents and materials if they apply before May 31, 2021.

Domestic book publishers that had been approved for an ISBN or eISBN for a book prior to January 31, 2021, do not need to apply for a permit in line with these regulations. The Ministry of Culture will process such applications in accordance with Article 6. However, publishers that have renounced an MOC permit should report to the MOC that they do not need such a permit before February 28, 2021.

Article 5 If the cultural and arts-related enterprise applying for approval in accordance with Article 2 is in compliance with the provisions of Article 4 of the Act and the following do not apply, such enterprises may be approved for business tax exemption or entertainment tax reduction:

- having fallen afoul of legal compulsions or prohibitions;
- having violated national policy or laws and regulations; or
- having jeopardized public order or good morals.

Article 6 After the Ministry of Culture receives the application, and the Ministry of Finance and the competent authority in charge examine and approve the application, the Ministry of Culture shall issue an approval letter and both the tax collection authorities and the competent authority in charge will be notified.

The approval letter shall clearly state the scope of its application.

Article 7 After the cultural and artistic activities in Paragraph 1 of Article 2 receive approval, relevant income shall be exempt from business tax.

Sales income on books that have received approval as in Article 2 shall be exempt from business tax.

The preceding regulation shall take force on March 1, 2021.

Exemption from taxes shall have effect for a period of five years. Within six months prior to this period's termination, the Ministry of Culture may announce a single extension of at most five years' length.

Article 8 After the cultural and artistic activities in Paragraph 1 of Article 2 receive approval, their entertainment tax shall be reduced by half. But if Item 1, Paragraph 1 of Article 4 of the Amusement Tax Act provides that the income should be exempt from such tax, that rule shall be followed.

Article 9 Those who apply a business tax exemption or amusement tax reduction in accordance with these Regulations shall, before acting upon it, register the tax exemption or tax reduction approval document with the local tax collection authority; afterwards, they are to submit related documents to the local tax collection authority for examination and verification.

Article 10 Where documents or information provided with the application are found to be false or where the cultural and artistic activities that are approved according to these Regulations exceed the scope of approval or violate laws and regulations, the Ministry of Culture may revoke or cancel the approval and shall notify the tax collection authority and the competent authority in charge.

Article 11 When other related bodies (organizations) or schools besides the cultural and arts-related enterprises referred to in Paragraph 1 of Article 2 put on short-term displays, live performances, broadcast performances, or other cultural and artistic activities or engage in book publishing or import as outlined in Article 3, they may apply for approval of business tax exemption or entertainment tax reduction in accordance with

these Regulations.

In addition to those cultural and arts enterprises mentioned in Paragraph 1 of Article 2 and Item 4 of Paragraph 2 of Article 3 of the Act, enterprises engaged in selling and promoting books that have already been granted business tax exemption may enjoy business tax exemption from sale of such titles.

Article 12 These Regulations shall become effective on the date of promulgation except for where another date of promulgation has been determined.

Data Source : Ministry of Culture Laws and Regulations Retrieving System