

Estate Tax

An estate tax return is due within six months from the date of death. A three-month extension is available if an application is submitted before the original due date.

Scope of Taiwan Estate Tax

Article 1 of the “Estate and Gift Tax Act” (hereinafter referred to as this law) states:

In the event of the death of a Republic of China (hereinafter referred to as R.O.C.) national who habitually resides within the territory of the R.O.C. and leaves property behind, the estate tax shall be levied on all the estate both within and outside the territory of the R.O.C. in accordance with this Act.

For R.O.C. nationals who habitually reside outside the territory of the R.O.C., as well as non-R.O.C. nationals, who, upon death, leave property within the territory of the R.O.C., the estate tax shall be levied on the estate within the territory of the R.O.C. in accordance with this Act.

Based on the above, the scope of the Taiwan Estate Tax can apply to both Taiwan citizens and non-citizens depending on the factors listed above.

Deadline

An estate tax return must be filed with the competent tax authority within six (6) months from the date of death. Failure to file within the prescribed period may result in a fine of up to two times the amount of estate tax payable (see Articles 23 and 44 of the Estate and Gift Tax Act).

Pursuant to Article 26 of the Act, taxpayers may apply for an extension by submitting a written application. The extension period is limited to three (3) months.

Exemptions

Deceased identity	Exemption (NTD)
Citizen death	\$13,330,000
Civil servant death	\$26,660,000
※ No. 11004670210 of the MOF on November 24, 2021. If the person is a civil servant, who died while performing his duties, the exemption will be doubled, which is \$26,660,000	

Tax brackets for 2025

Net Taxable Estate (NTD)	Rate	Progressive Difference (NTD)
Less than \$56,210,000	10%	0
More than \$56,210,001 but less than \$112,420,000	15%	\$2,810,500
More than \$112,420,001	20%	\$8,431,500

Items exempted from estate tax

The following are commonly cited items exempt from estate tax:

1. Property donated by the deceased or successors to qualified not-for-profit foundations.
2. Daily necessities and tools, including the vehicle used by the deceased, with a total value not exceeding NTD 1,000,000.
3. Professional equipment with a value not exceeding NTD 560,000.

4. Insurance proceeds paid to a designated beneficiary upon the death of the insured, including life insurance and insurance for soldiers, civil servants, teachers, labor insurance, and farmer insurance.
5. Property inherited by the deceased within five years prior to death, provided that estate tax on such property has already been paid.
6. Land designated by the government as a public road or used free of charge for public passage, as certified by the competent authority.

Deductions

- 1 **Spouse:** NTD 5,530,000
- 2 **Immediate family members:** NTD 560,000 per person. If an immediate family member is under 20 years of age, an additional deduction of NTD 560,000 per year below age 20 applies.
- 3 **Parents:** NTD 1,380,000 per person
- 4 **Severely disabled dependents:** Additional NTD 6,930,000 per person
- 5 **Other dependents (siblings and grandparents):** NTD 560,000 per person. If a dependent sibling is under 20 years of age, an additional deduction of NTD 560,000 per year below age 20 applies.
- 6 **Funeral expenses:** NTD 1,380,000 (no supporting documents required if death occurred in Taiwan).
- 7 **Special deductions:**
 - Farmland (must continue to be used for farming for five years)
 - Direct and necessary expenses incurred by the estate administrator
 - Assets previously subject to estate tax and inherited by the deceased six to nine years prior to death
 - Outstanding debts, taxes, penalties, or fines incurred before death
 - Matrimonial property claimed by the surviving spouse

Information on deceased's property

The Ministry of Finance has established an online platform allowing successors to inquire into the deceased's registered property information,

including real estate (land and buildings), vehicles, investments, outstanding tax liabilities, and other relevant assets.

Estate tax calculation

Estate tax = (Gross Estate – Exemptions – Deductions) × Applicable Tax Rate – Progressive Difference – Tax Credits and Interest

For example:

Individual A passed away on January 13, 2025, leaving an estate valued at NTD 57,500,000. The surviving spouse is B, and the children are C and D.

The estate tax calculation is as follows:

Net estate taxable = (\$57,500,000 – \$13,330,000 (exemption) – \$5,530,000 (spouse exemption) – \$1,120,000 (two immediate family members) – \$1,380,000 (funeral expenses)) = \$36,140,000
\$36,140,000 is less than the \$56,210,000 first tax interval, so the applicable tax rate is 10%, and there is no progressive difference.

Estate tax = \$36,140,000 × 10% = 3,614,000.

Matrimonial Property Claim by a Spouse

Article 1030-1 of the Civil Code states that *upon dissolution of the statutory marital property regime, the remainder of the property acquired by the husband or wife in marriage, after deducting the debts incurred during the continuance of the marriage relationship, if any, shall be equally distributed to the husband and the wife, except property listed as follows:*

- (1) Property acquired from succession or as a gift;
- (2) Solatium

The surviving spouse may choose to exercise the right to claim the distribution of the matrimonial property in accordance with the aforementioned provisions, so as to have an impact on the estate tax.

For example:

After A's death, property acquired by A during the marriage amounted to NTD 9,000,000, while the spouse's marital property amounted to NTD 4,000,000.

The spouse may claim: $(\$9,000,000 - \$4,000,000)/2 = \$2,500,000$

Accordingly, NTD 2,500,000 may be deducted from the deceased's estate.

Conclusion

There are numerous strategies available for estate tax planning. In general, early planning and proactive action during one's lifetime are critical to reducing potential estate tax exposure. If you have any questions or require further consultation, please do not hesitate to contact us.

Contact

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