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FAPA Hails Successful U.S.-Taiwan Tariff Negotiations, Urges Action on Double Tax Relief

The Formosan Association for Public Affairs (FAPA) applauds the successful conclusion of the U.S.-Taiwan tariff negotiations on January 15, 2026. The outcome reduces the U.S. reciprocal tariffs on Taiwanese goods to 15%, explicitly ensuring that this rate will not be stacked on top of existing Most-Favored-Nation (MFN) rates, and grants most-favored treatment under Section 232 for semiconductors and related derivative products—thereby placing Taiwan on equal footing with Japan, South Korea, and the European Union as a “most-favored ally.”

FAPA also welcomes the commitment by Taiwan’s semiconductor, electronics manufacturing service (EMS), AI, and energy sectors to invest up to [US\\$250 billion](#) in the United States. This investment commitment is further supported by the Taiwan government’s pledge to provide up to [US\\$250 billion](#) in credit guarantees. In addition, FAPA commends the establishment of the “Taiwan Model,” through which the U.S. has committed to assisting Taiwanese firms in securing essential resources, including land, utilities, infrastructure, tax incentives, and visa programs. FAPA also welcomes the launch of a bi-directional investment mechanism to expand U.S. investment in Taiwan’s “Five Trusted Industries.”

“Aligning Taiwan’s tariff rate with those of other major U.S. trading partners underscores Taiwan’s role as a critical economic partner of the United States,” said FAPA National President Dr. Su-Mei Kao. “This trade deal further solidifies the U.S.-Taiwan strategic partnership within the global supply chain. By leveraging Taiwanese investment and expertise to revitalize U.S. manufacturing and create high-paying jobs, this milestone will also strengthen the economic resilience and national security of both countries.”

Despite these significant gains in tariff negotiations, a critical structural challenge remains in the U.S.-Taiwan economic and trade relationship: **Taiwan remains the only top-ten U.S. trading partner without a bilateral tax agreement.** A [Bloomberg report](#) highlighted that Taiwanese firms face an effective tax rate as high as 51% on U.S. profits—at least 10 percentage points higher than their competitors from South Korea or Australia. The absence of a double-taxation agreement not only erodes the competitiveness of Taiwanese businesses in the U.S. but also leaves U.S. companies investing in Taiwan facing double taxation risks and regulatory uncertainty.

“This disparity is why FAPA has persistently advocated for **the U.S.-Taiwan Expedited Double-Tax Relief Act** since 2024,” Dr. Kao noted. “The bill passed the U.S. House on January 15, 2025, with an overwhelming bipartisan vote of 423–1. To advance the Senate companion, **FAPA launched a nationwide grassroots petition campaign in March 2025, mobilizing over 1,100 supporters and generating more than 2,200 letters to the Senate.** At our FAPA National Advocacy Conference **last September, 112 advocates from 24 chapters across 16 states met with more than 130 congressional offices to push for this vital legislation.**”

Dr. Kao concluded, “If the U.S.-Taiwan Expedited Double-Tax Relief Act is passed by Congress and enacted into law, it will create a multiplier effect alongside the success of the recent tariff negotiations, significantly reducing the tax burden on Taiwanese enterprises and employees in the United States. We urge the Senate to capitalize on this strong momentum and pass the bill without delay.”

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