

Analysis of Amusement Tax Collection and Revenue Structure Since 2021

STATISTICS DEPT., MOF

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I. Introduction

Amusement Tax is a local tax that has the nature of a special sales tax. Its initial purpose was to achieve the goal of discouraging certain behaviors through taxation. By levying taxes on relatively luxurious entertainment consumption, it aimed to rectify extravagant social customs and provide some financial support for local governments. However, as times change, local governments now often implement measures such as halving the tax rate or exempting certain items from Amusement Tax to encourage leisure and entertainment activities and promote the economy and employment. The role and purpose of Amusement Tax have gradually evolved over time.

This article mainly compiles Amusement Tax revenue data from 2021 to 2024 and observes the distribution of tax sources at the national, six special municipalities, and Hsinchu area sequentially.

II. Overview of Amusement Tax Collection

1. Number of Amusement Places

Affected by the COVID-19 pandemic in 2021, when the nationwide Level 3 alert was implemented and most counties and cities adopted reduction or exemption of Amusement Tax. The number of total amusement places dropped to 18,659, an annual decrease of 13.7%. In the post-pandemic era of 2022, with the shift towards coexisting with the virus, the number rebounded to 20,514, an annual increase of 9.9%. The following two years saw steady growth, reaching 21,421 by the end of 2024, but still below the pre-pandemic peak level (21,985 at the end of 2019).

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Observing the collection method, the structure remained relatively stable over the years, with assessed by the tax authorities being the primary payment method, accounting for over 90% each year. Temporary performances experienced the greatest fluctuations across the years. In addition to the smaller base number, this also reflects the significant impact of the pandemic, with decreases and increases of about 30% in 2021 and 2022 respectively, showing a stark contrast.

Table 1 Number of Amusement Places¹

Unit : unit ; %

Year	2021	2022	2023	2024	Compared to 2021	
					Difference	Growth Rate
Total	18,659	20,514	20,824	21,421	2,762	14.8
YoY Growth Rate	-13.7	9.9	1.5	2.9	-	-
Taxable Item						
Claw Machines	9,508	10,069	10,092	10,474	966	10.2
KTV	3,893	4,717	4,845	4,891	998	25.6
Arcade, Pachinko Parlors	1,386	1,419	1,437	1,421	35	2.5
Non-professional Performances	341	435	430	480	139	40.8
Internet Cafe	408	380	359	346	-62	-15.2
Professional Performances	87	143	200	281	194	223.0
Golf Course	161	157	152	154	-7	-4.3
The Cinemas	136	128	132	123	-13	-9.6
Amusement Park	86	98	99	100	14	16.3

Source : The tax authority of each county/city government.

Explanation : The numbers of amusement places are counted at the end of the time period.

Observing the taxable items, Claw Machines experienced rapid growth in the number of amusement places before the pandemic due to a nationwide trend. However, as the market approached saturation, the growth rate gradually slowed down, reaching 10,474 by the end of 2024. Professional Performances, on the other hand, saw the fastest increase in the number of amusement places from 2021 to 2024, growing by 2.2 times due to the strong recovery of the concert market after the pandemic. KTV and Amusement Park also gradually improved after the pandemic, with the number of amusement places increasing by 25.6%

¹ The taxation units for Amusement Tax are counted by the number of places, except for temporary performances, which are counted by the number of events, and Claw Machines which are counted by the number of machines. For simplicity, this article refers to all categories as the number of places.

and 16.3% respectively in the last 3 years. The number of Internet Cafe decreased by 15.2% compared to 2021, and the number of cinemas decreased by nearly 10%, mainly due to changes in consumer behavior patterns. In terms of proportion, Claw Machines accounted for the largest share each year, at about 50%, followed by KTV at about 20%, with Arcades and Pachinko Parlors ranking third. Claw Machines are counted by the number of machines, resulting in significantly higher figures than other taxable items.

2. Net Tax Revenue

Under the impact of the pandemic in 2021, the net revenue of Amusement Tax significantly shrank to NT\$1.16 billion. The following year saw a 41% rebound, and it continued to increase by 16% to NT\$1.89 billion in 2023. In 2024, it reached a record high of NT\$2.09 billion.

Table 2 Net Revenue of Amusement Tax and Structure					
Unit : billion ; % ; percentage point					
Year	2021	2022	2023	2024	Difference from 2021
Tax Revenue	1.16	1.63	1.89	2.09	0.93
YoY Growth Rate	-32.3	40.8	16.1	10.4	-
Taxable Items Structure					
Claw Machines	25.1	25.0	23.0	22.3	-2.7
Golf Course	30.1	26.7	23.1	22.0	-8.2
KTV	15.7	16.9	17.5	16.9	1.2
Professional Performances	3.4	3.9	8.5	13.7	10.4
Arcade, Pachinko	10.4	11.4	10.5	9.7	-0.7
Amusement Park	5.4	5.7	5.9	4.9	-0.5
The Cinemas	2.9	2.9	3.6	3.1	0.1
Internet Cafe	1.9	1.7	1.3	1.1	-0.7
Dance Halls	0.7	0.8	0.8	0.8	0.1

Source : The tax authority of each county/city government.

Observing the collection method, voluntary payment and assessed by the tax authority are of similar scale, each accounting for around 45%. The tax revenue from temporary public shows accounted for 15.0% of the total in 2024, higher than previous records, mainly benefiting from the warming trend of Professional Performances (accounting for 90%).

Observing the taxable items, the top three in previous years were Claw Machines, Golf Course, and KTV. Among them, Golf Course was less affected by the pandemic due to being outdoor activities with spacious venues, and their tax revenue share exceeded 30% in 2021. Claw Machines, with a stable proportion of amusement places, have had a tax revenue scale comparable to Golf Course in recent years, maintaining at around 25%. KTV was more affected by the pandemic, with their tax revenue share falling to 15.7% in 2021, gradually recovering afterward but still not reaching the pre-pandemic scale. With the expansion of domestic concert scales, the proportion of Professional Performances in the total Amusement Tax revenue rose to 8.5% in 2023 and further increased to 13.7% in 2024. Although cinemas have been impacted by the rise of multiple video streaming platforms, due to the existence of different target markets, their tax revenue share has stabilized at around 3% in recent years.

III. Distribution of Amusement Tax Revenue in the Six Special Municipalities and Hsinchu Area

1. New Taipei City

The net revenue of Amusement Tax in New Taipei City has rebounded to over NT\$300 million after the pandemic, reaching NT\$354 million in 2024. The tax revenue is mostly ranked first by Claw Machines. However, in 2024, it fell to second place, mainly because New Taipei City increased operating restrictions starting in September 2023, leading to a decrease in tax revenue from Claw

Table 3 Main Sources of Amusement Tax in New Taipei City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	224	320	355	354
YoY Growth Rate	-30.5	42.7	11.1	-0.5
Rank	Taxable Item (Percentage)			
1	Claw Machines (39.1)	Claw Machines (38.9)	Claw Machines (34.8)	Golf Course (32.3)
2	Golf Course (35.1)	Golf Course (32.0)	Golf Course (29.4)	Claw Machines (32.1)
3	KTV (14.5)	KTV (15.4)	KTV (15.5)	KTV (14.8)

Source : Revenue Service Office, New Taipei City Government

Machines, which in turn caused the city's overall Amusement Tax revenue to decrease by 0.5% in 2024.

2. Taipei City

The top three tax sources in Taipei City are indoor activities such as Professional Performances, KTV, and cinemas. Severely impacted by the pandemic in 2021, the net revenue of Amusement Tax dropped to a low point of NT\$61 million, an annual decrease of nearly 60%. Subsequently, the growth rate exceeded 40% for three consecutive years, and the net tax revenue in 2024 reached NT\$288 million, recovering to the pre-pandemic level. Among this, Professional Performances and KTV contributed about 64% of the tax revenue, with the tax revenue share of Professional Performances exceeding 37% in the last two years.

Table 4 Main Sources of Amusement Tax in Taipei City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	61	90	184	288
YoY Growth Rate	-59.1	46.6	105.5	56.4
Rank	Taxable Item (Percentage)			
1	KTV (28.8)	KTV (27.3)	Pro. Performances (37.4)	Pro. Performances (42.0)
2	Pro. Performances (22.1)	Pro. Performances (24.4)	KTV (23.6)	KTV (22.0)
3	Cinemas (17.2)	Cinemas (17.2)	Cinemas (14.1)	Cinemas (9.9)

Source : Taipei City Revenue Service

Explanation : Amusement Tax in Taipei City was levied at half the rate during the period from December 1, 2020 to June 30, 2023.

3. Taoyuan City

Taoyuan City has nearly half of its Amusement Tax revenue from Golf Course due to having several large golf courses. Their operations were less disrupted by the pandemic, resulting in relatively moderate fluctuations in Taoyuan City's tax revenue in recent years. Claw Machines ranked second in proportion, remained stable at 20%, and KTV ranked third.

Table 5 Main Sources of Amusement Tax in Taoyuan City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	198	245	282	297
YoY Growth Rate	-25.7	23.7	15.4	5.2
Rank	Taxable Item (Percentage)			
1	Golf Course (59.0)	Golf Course (55.5)	Golf Course (51.3)	Golf Course (48.0)
2	Claw Machines (17.9)	Claw Machines (22.2)	Claw Machines (20.2)	Claw Machines (20.4)
3	KTV (9.5)	KTV (11.4)	KTV (12.2)	KTV (11.6)

Source : Department of Taxation, Taoyuan

4. Taichung City

After the pandemic, Taichung City's Amusement Tax revenue steadily increased, exceeding NT\$200 million in 2024, an annual increase of 9.4%, mainly due to significant increases in Professional Performances and Claw Machines. In recent years, the top three major tax sources have been Claw Machines, Golf Course, and KTV.

Table 6 Main Sources of Amusement Tax in Taichung City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	121	190	194	212
YoY Growth Rate	-34.5	57.8	1.9	9.4
Rank	Taxable Item (Percentage)			
1	Claw Machines (34.0)	Claw Machines (29.2)	Claw Machines (30.6)	Claw Machines (31.5)
2	Golf Course (19.1)	Golf Course (18.1)	KTV (17.5)	Golf Course (17.1)
3	KTV (16.1)	KTV (16.8)	Golf Course (15.7)	KTV (16.0)

Source : Local Tax Bureau of Taichung City Government

5. Tainan City

Tainan City's Amusement Tax revenue has been between NT\$90 million and NT\$130 million in recent years. In 2024, it decreased by 1.4% due to the poor performance in tax levying of Arcades and Pachinko Parlors, its largest tax source. The second largest tax source, Claw Machines, accounted for 24.0% in 2024, an increase of 3.8 percentage points compared to 2021.

Table 7 Main Sources of Amusement Tax in Tainan City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	93	119	129	127
YoY Growth Rate	-16.4	28.7	8.0	-1.4
Rank	Taxable Item (Percentage)			
1	Pachinko (24.8)	Pachinko (28.1)	Pachinko (27.8)	Pachinko (27.2)
2	Claw Machines (20.2)	Claw Machines (23.5)	Claw Machines (23.7)	Claw Machines (24.0)
3	Golf Course (17.1)	KTV (20.0)	KTV (21.3)	KTV (20.6)

Source : Finance and Local Tax Bureau, Tainan City

6. Kaohsiung City

Among the six special municipalities, Kaohsiung City, along with Taipei City, saw double-digit growth in Amusement Tax revenue after the pandemic. Due to the explosion in the number and scale of large-scale concerts held in Kaohsiung city after the pandemic, the tax revenue share of Professional Performances soared to 31.7% in 2024, an increase of 12.6 percentage points in just one year, becoming Kaohsiung City's largest Amusement Tax revenue source.

Table 8 Main Sources of Amusement Tax in Kaohsiung City

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	111	172	218	260
YoY Growth Rate	-39.0	55.6	26.6	19.5
Rank	Taxable Item (Percentage)			
1	KTV (22.3)	KTV (22.5)	KTV (20.5)	Pro. Performances (31.7)
2	Pachinko (20.4)	Pachinko (20.1)	Pro. Performances (19.1)	KTV (18.5)
3	Golf Courses (15.8)	Golf Courses (12.4)	Pachinko (19.0)	Pachinko (16.2)

Source : Revenue Service Office, Kaohsiung City

7. Hsinchu Area

Amusement Tax revenue in Hsinchu area has been around NT\$160 million after the pandemic. Due to the presence of more golf courses in the area, Golf Course steadily rank first in tax revenue, accounting for about 45%. Excluding the pandemic years, Amusement Park and Claw Machines ranked second and third in tax sources, both bringing stable tax revenue to the region, with average proportions of about 17% and 14% respectively in the last 3 years.

Table 9 Main Sources of Amusement Tax in Hsinchu Area

Unit : million ; %

Year	2021	2022	2023	2024
Revenue	117	159	164	172
YoY Growth Rate	-21.2	36.2	2.9	5.2
Rank	Taxable Item (Percentage)			
1	Golf Course (51.5)	Golf Course (45.2)	Golf Course (43.7)	Golf Course (44.5)
2	Claw Machines (14.2)	Amusement Park (17.6)	Amusement Park (18.0)	Amusement Park (16.9)
3	Amusement Park (13.2)	Claw Machines (13.6)	Claw Machines (14.1)	Claw Machines (15.6)

Source : Local Tax Bureau, Hsinchu County ; Local Tax Bureau, Hsinchu City

IV. Conclusion

The changing trends in Amusement Tax revenue are closely related to public consumption behavior. Long-term data can provide insights into the evolution of economic activities and public leisure preferences in different times and spaces. The continuous growth of Amusement Tax revenue since 2022 truly reflects the rapid return of the public to normal life after the pandemic, which in turn has driven the vigorous development of the entertainment industry. In particular, the tax revenue increase brought by the trend of large-scale concerts is most significant, increasing more than sixfold in the short three years from 2021 to 2024. Meanwhile, KTV and Claw Machines remain major sources of tax revenue, while traditional entertainment venues such as cinemas, Internet Cafe, and Arcade and Pachinko Parlors are gradually becoming less significant. Different regions exhibit different lifestyles. Cultural and artistic activities and concerts are mostly concentrated in densely populated or more developed metropolitan areas, becoming the main source of Amusement Tax revenue in these areas. In contrast, although traditional amusement items are gradually declining, they remain the main source of tax revenue in rural areas.

With changes in the economic structure and the development of the cultural industry, the issue of the existence of Amusement Tax has been repeatedly discussed. Gradual adjustment is the current direction of legislative amendments. If future amendments are finalized, Amusement Tax and its tax revenue structure may present a different picture, which remains to be observed.