

# [***EXCLUSIVE: Senators Bring Bipartisan Bill To Cancel Key Treaty With China If Taiwan Invaded***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BGN-9771-JBFB-H0C2-00000-00&context=1516831)

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**Body**

[*Link to Image*](https://cdn01.dailycaller.com/wp-content/uploads/2024/03/GettyImages-1233979002-e1709674516957.jpg)

A bipartisan group of U.S. senators introduced a bill on Tuesday that would terminate a bilateral tax treaty between the United States and the People's Republic of China (PRC) if it attacks Taiwan, according to a copy obtained exclusively by the Daily Caller News Foundation.

The PRC, a strategic [*competitor and rival*](https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf) of the United States, has long claimed the island of Taiwan as its own territory and disputed the sovereignty of its government, which has been functionally independent of mainland China's Communist Party-led government since 1949. Amid warnings from U.S. military officials that the Chinese Communist Party (CCP)'s People's Liberation Army (PLA) will seek to retake the island by force, several senators introduced a bill to terminate the [*United States-People's Republic of China*](https://www.irs.gov/pub/irs-trty/china.pdf)  [*Income Tax Convention*](https://www.irs.gov/pub/irs-trty/china.pdf), a bilateral treaty signed in 1984 that enables firms to do business in both countries by avoiding double taxation. [***(RELATED: 'Stop World War 3': John Cornyn Says He'd Push For More Ukraine Aid As Senate GOP Leader)***](https://dailycaller.com/2024/02/29/john-cornyn-ukraine-aid-senate-gop-leader/)

“The United States must make it crystal clear the Chinese Communist Party will face dire consequences if it moves to invade Taiwan,” Republican Sen. John Cornyn of Texas - the bill's chief sponsor, who is also running to succeed Mitch McConnell as leader of the Senate Republican Conference - told the DCNF. “This legislation would require the Treasury Department to terminate the U.S.-China Tax Treaty if the Chinese Communist Party initiates an armed attack on Taiwan, and I urge my colleagues to support it.”

**Read an exclusive copy of the bill here:**

[*Bill to terminate the Unite...*](https://www.scribd.com/document/710881099/Bill-to-terminate-the-United-States-People-s-Republic-of-China-Income-Tax-Convention-if-the-People-s-Liberation-Army-initiates-an-armed-attack-against#from_embed) by [*Daily Caller News Foundation*](https://www.scribd.com/user/292804634/Daily-Caller-News-Foundation#from_embed)

The bill was co-sponsored by Republican Sen. Bill Cassidy of Louisiana as well as Democratic Sens. Chris Coons of Delaware and Catherine Cortez-Masto of Nevada. The process of terminating the treaty would begin following a determination by the president of the United States that Taiwan has been attacked by the PRC, following which withdrawal would take six months to complete, according to the text of the treaty.

Both the PRC and Taiwan, whose formal name is the “Republic of China” (ROC), claim to be the sole and legitimate government of the whole of China's historic modern territory, including the mainland and the island of Taiwan, even though the PRC controls the much-larger mainland. Until 1979, the United States recognized the ROC as the legitimate government of China, until President Jimmy Carter [*withdrew*](https://www.cartercenter.org/news/features/p/china/40-anniversary-china-relations.html) that recognition and severed formal diplomatic relations in favor of recognizing the PRC, a practice known as the “One China Policy.”

The United States still maintains informal relations with Taiwan, however, and continues to provide it with military aid to resist a potential PLA invasion. Under the Taiwan Relations Act of 1979, the United States is required “to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan,” though does not call for explicit military action against the PRC, a policy known as “strategic ambiguity.”

Regarding tax matters, a bipartisan bill to expand the Child Tax Credit negotiated by congressional tax leaders, which recently [*passed*](https://dailycaller.com/2024/01/31/house-passes-child-tax-credit-expansion-freedom-caucus-opposition/) the House, [*includes provisions*](https://dailycaller.com/2024/01/16/congress-deal-child-tax-credit-treaty-taiwan/) for a bilateral tax agreement between the United States and Taiwan. Economic relations between the PRC and the United States have been strained since the [*imposition of tariffs*](https://dailycaller.com/2024/01/05/biden-rips-a-page-trump-china-tariffs-playbook-effort-tough-beijing/) on mainland Chinese imports.

The People's Republic of China's Mission to the United States and the Taipei Economic and Cultural Representative did not immediately respond to requests for comment.

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**Graphic**

WASHINGTON, DC - on July 14: Sen. John Cornyn (R-TX) speaks during a press conference about the southern border at the U.S. Capitol on July 14, 2021 in Washington, DC. Also pictured, L-R, Sen. Shelley Moore Capito (R-WV), Sen. Todd Young (R-IN), Sen. James Lankford (R-OK), Sen. John Hoeven (R-ND), and Sen. John Barrasso (R-WY). The Senate Republicans discussed U.S. President Joe Biden's move to lift an order mandating Homeland Security officials to expel immigrants because of the coronavirus. (Photo by Drew Angerer/Getty Images)

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