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Note: The time periods for the figure are described in the title section on the top right of each table. A fiscal year is the one-year period from April 1 through March 31 of the following year. A business year is a one-year period starting July 1 of the given year and ending on June 30 of the following year. A calendar year is the one-year period from January 1 through December 31.

Tax Revenue and Budget

Budget and Actual Amounts of Tax and Stamp Revenues for Fiscal 2005

Item		Budget	Actual
		Million yen	Million yen
General Account	Withholding income tax	12,186,000	12,955,818
	Self-assessed income tax	2,497,000	2,630,095
	Corporation tax	12,473,000	13,273,567
	Inheritance tax	1,497,000	1,565,678
	Consumption tax	10,468,000	10,583,409
	Liquor tax	1,625,000	1,585,339
	Tobacco tax	862,000	886,737
	Gasoline tax	2,173,000	2,167,598
	Liquefied petroleum gas tax	15,000	14,231
	Aviation fuel tax	89,000	88,589
	Petroleum and coal tax	500,000	493,126
	Motor vehicle tonnage tax	755,000	757,420
	Customs duty	779,000	885,669
	Tonnage due	9,000	9,116
	Others	—	215
	Stamp revenue	1,114,000	1,168,832
	Subtotal	47,042,000	49,065,439
Income tax (transferred)		1,115,900	1,115,900
Local road tax		311,800	311,187
Liquefied petroleum gas tax (transferred)		15,000	14,231
Aviation fuel tax (transferred)		16,200	16,107
Motor vehicle tonnage tax (transferred)		377,500	378,710
Special tonnage due		11,300	11,395
Crude oil customs duty, etc.		38,000	44,629
Power resources development promotion tax		355,100	359,249
Gasoline tax		740,800	740,800
Special tobacco tax		226,200	232,855
Total		50,249,800	52,290,502

Note: "Others" include the tax delinquency currently being handled of the goods and service tax, land value tax and so forth.

NTA Budget for Fiscal 2007

Item		Budget
		Million yen
General Expenditures	IT-related Expenses	48,382
	Expenses to improve convenience for taxpayers*1	12,353
	Expenses related to internationalization measures	871
	Expenses to improve work environment*2	7,048
	Expenses related to tax reforms	3,442
	Expenses for various taxation forms and communication expenses	17,788
	General operating expenses*3	46,843
	Expenses for National Tax College	2,886
	Expenses for National Tax Tribunal	446
	Expenses for National Research Institute of Brewing	1,222
Subtotal		141,280
Personnel expenses		583,181
Total NTA budget		724,461

Notes: *1 "Expenses to improve convenience for taxpayers" include expenses related to touch-screen computers and the development of e-Tax and the Filing Assistance on the NTA Website.

*2 "Expenses to improve work environment" include expenses to improve facilities and health care expenses.

*3 "General operating expenses" include wages for part-time workers, travel expenses, honoraria for hired bookkeeping instructors, and PR expenses.

Taxation and Status of Tax Return Filing

Income Taxpayers

(2006 calendar year)

			Thousand persons
Total population			127,760
Workforce			63,560
Number of final returns for income tax*			23,490
Refund*			12,250
Tax payment*			8,230
Detail by income earner category	Business income earners		1,900
	Other income earners		6,330
		Real-estate income earners	1,110
		Employment income earners	2,740
		Miscellaneous income earners	2,120
		Others	350

Notes: "Total population" and "workforce" represent the figure as of fiscal 2005.

Withholding Agents and Withholding Income Taxation

(2005 business year)

Income Classification, etc.	Number of Withholding Agents*	Amount of Tax
	Thousands	Million yen
Employment income (wages and salaries)	3,860	10,540,700
Retirement income	—	291,100
Interest income, etc.	40	488,000
Dividend income	129	2,496,600
Capital gains etc. from selling listed shares managed in special accounts	5	254,800
Income from remuneration, etc.	3,083	1,340,600
Income paid to non-residents and foreign corporations	24	316,100
Total	—	15,727,900

Notes: The number of withholding income agents represents the figure as of the end of June 2006.

Number of Corporations and Number of Corporation Tax Returns Filed

(2005 business year)

Number of corporations*	2,977	Thousands
Number of tax returns filed	2,767	Thousands
Percentage of corporations filing	89.9	%
Percentage of returns declaring a surplus	31.9	%
Amount of self-assessed income	50,397,400	Million yen
Amount of self-assessed loss	22,715,400	Million yen
Amount of tax	12,596,900	Million yen

Notes: The number of corporations represents the figures as of the end of June 2006.

Inheritance Tax

(2005 calendar year)

Number of deceased persons	1,083,796
Number of deceased persons subject to taxation	45,152
Number of heirs subject to taxation	135,803
Taxable amount	10,195,200 Million yen
Amount of tax	1,156,700 Million yen

Gift Tax

(2005 calendar year)

Number of persons subject to taxation	405,332
Value of property acquired	2,376,000 Million yen
Amount of tax	115,900 Million yen

Note: The data above is under taxation system for settlement at the time of inheritance.

Consumption Tax

(2005 fiscal year)

Number of Returns		Tax Payment	Tax Refund
		Thousand cases	Thousand cases
	Individual	1,566	50
	Corporation	1,991	116
	Total	3,557	165
	Amount of tax	10,026,500 Million yen	2,181,400 Million yen

Liquor Tax and Liquor Production

(2005 fiscal year)

Classification	Production Volume	Amount of Tax
	Thousand kl	Million yen
Sake	499	91,760
Sake compounds	34	5,013
Shochu	1,042	227,042
Mirin (rice cooking wine)	86	2,353
Beer	3,650	800,426
Fruit wines	94	6,711
Whiskies	69	27,726
Spirits	76	7,630
Liqueurs	742	63,451
Miscellaneous liquors	2,737	297,497
Total	9,029	1,529,609

Tax Examinations

Examinations for Self-Assessed Income Tax

(2005 business year)

	Number of Cases	Total Understated Income	Understated Income per Case	Total Additional Tax Revenue Collected	Additional Tax Revenue Collected per Case
Field examinations	Thousands	Million yen	Thousand yen	Million yen	Thousand yen
Special,*1					
General	54	454,300	8,350	90,700	1,670
Focusing*2	169	336,100	1,980	15,900	90
Brief contact*3	583	105,300	180	7,700	10
Total	807	895,700	1,110	114,400	140

Notes: *1. "Special, General" refers to the focused examination for the malicious taxpayer.

*2. "Focusing" refers to the short term examination to grasp the understated income.

*3 "Brief contact" refers to the correction of tax return errors by speaking with the taxpayer by telephone or by asking the taxpayer to visit the Tax Office.

Examinations for Withholding Income Tax

(2005 business year)

Number of Cases Examined	Of Which, Number of Illegal Cases	Total Additional Tax Revenue Collected
Thousands	Thousands	Million yen
194	53	58,000

Field Examinations for Corporation Tax

(2005 business year)

	Number of Cases	Total Understated Income	Understated Income per Case	Total Additional Tax Revenue Collected
	Thousands	Million yen	Thousand yen	Million yen
All corporations	143	1,665,400	11,636	395,300
Of which, corporations handled by the Large Enterprise Examination Department	5	897,700	199,088	201,100

Examinations for Consumption Tax

(2005 business year)

	Number of Cases	Number of Cases with Understated Income	Total Additional Tax Revenue Collected	Additional Tax Revenue Collected per Case
	Thousands	Thousands	Million yen	Thousand yen
Individuals	72	49	22,000	300
Corporations	135	73	55,100	410

Field Examinations for Inheritance Tax

(2005 business year)

Number of Cases	Number of Cases with Understated Income	Total Additional of Understated Inheritance	Understated Inheritance per Case	Total Additional Tax Revenue Collected	Additional Tax Revenue Cases per Case
Thousands	Thousands	Million yen	Thousand yen	Million yen	Thousand yen
14	12	388,200	27,300	86,400	6,080

Information Returns Collected

(2005 business year)

Name of Information under Mandatory Submission	Number of Returns Collected
	Thousands
Withholding record of employment income	19,428
Payment record of interest and others	594
Payment record of dividend, distribution of surplus and interest on guaranty capital	4,061
Withholding record of public pension, etc.	31,643
Payment record of remunerations, fees, contract payments, and prizes	9,174
Payment record of consideration for transfer of stocks, etc.	10,592
Record of remittance to foreign countries	3,208
Others	36,770
Total	115,470

Tax Criminal Investigations

Tax Criminal Investigations

(2006 fiscal year)

Number of Cases Conducted	Number of Cases Closed	Number of Cases Prosecuted	Total Tax Evasion	Tax Evasion per Case	Total Tax Evasion (in Prosecuted Cases)	Tax Evasion per Prosecuted Case
			Million yen	Million yen	Million yen	Million yen
231	221	166	30,400	138	27,800	167

Large-Scale Cases

(2006 fiscal year)

Number of Cases Prosecuted	Of Which, Number of Cases Prosecuted with a Tax Evasion Amount of 300 Million Yen or More	Of Which, Number of Cases Prosecuted with a Tax Evasion Amount of 500 Million Yen or More
166	17	8

Prosecuted Cases by Tax Item

(2006 fiscal year)

Tax Item	Number of Cases	Total Tax Evasion	Tax Evasion per Case
		Million yen	Million yen
Income tax	59	10,800	183
Corporation tax	78	11,900	153
Inheritance tax	5	2,900	580
Consumption tax	23	2,100	91
Withholding income tax	1	100	100
Total	166	27,800	167

Reduction of Tax Delinquency

Tax Delinquency Cases of 100 Million Yen or More by Industry
(as of the end of the 2006 fiscal year)

Industry	Number of Persons		Amount of Tax	
		%	Million yen	%
Manufacturing industry	64	4.4	13,180	3.3
Distribution industry	99	6.7	43,262	10.8
Real estate and construction industry	395	26.9	96,495	24.1
Food and beverage industry	82	5.6	15,765	3.9
Financial industry	24	1.6	6,717	1.7
Other industries* ¹	377	25.7	97,055	24.2
Others* ²	427	29.1	128,677	32.0
Total	1,468	100.0	401,151	100.0

Notes: *1 "Other industries" includes hospitals (doctors), the service industry, and the leisure industry.

*2 "Others" includes salaries workers and pension recipients.

Seizure of Property

(2005 business year)

	Number of Delinquent Taxpayers	Number of Objects Seized	Appraisal Value
			Million yen
Movable property	427	14,783	7,574
Claims	42,786	53,938	61,208
Immovable property, etc.	7,747	27,481	151,130
Others	3,514	102,981	4,005
Total	54,474	199,183	223,917

Remedy for Infringement of Taxpayer Rights

Requests for Reinvestigation

Classification	Number of Illegal Cases (1)	Number of Requests for Reinvestigation	Number of New Requests for Reinvestigation (2)		Number of Cases Processed (3)	Number of Requests Approved (4)	Percentage	
				Percentage [(2)/(1)]			Percentage [(4)/(1)]	Percentage [(4)/(3)]
	Thousands			%			%	%
Tax assessment	478	5,117	3,935	0.82	4,065	604	0.13	14.86
Tax collection	—	609	566	—	484	14	—	2.89
Total	—	5,726	4,501	—	4,549	618	—	13.59

Requests for Reconsideration

Classification	Number of Illegal Cases (1)	Number of Requests for Reconsideration	Number of New Requests for Reconsideration (2)		Number of Cases Processed (3)	Number of Requests Approved (4)	Percentage	
				Percentage [(2)/(1)]			Percentage [(4)/(1)]	Percentage [(4)/(3)]
	Thousands			%			%	%
Tax assessment	478	5,034	2,730	0.57	2,920	464	0.10	15.89
Tax collection	—	368	233	—	247	6	—	2.43
Total	—	5,402	2,963	—	3,167	470	—	14.84

Requests for Litigation

Classification	Number of Illegal Cases (1)	Number of Litigation Cases	Number of the First Instance Newly Filed (2)		Number of Cases Closed (3)	Number of Lost in Litigation and Partial Defeat Cases (4)	Percentage	
				Percentage [(2)/(1)]			Percentage [(4)/(1)]	Percentage [(4)/(3)]
	Thousands			%			%	%
Tax assessment	478	868	131	0.03	469	48	0.01	10.23
Tax collection	—	132	48	—	89	3	—	3.37
Total	—	1,002	180	—	559	52	—	9.30

Notes: 1. "(1) The number of illegal cases" represents the total of illegal cases identified in field examinations in the fiscal 2005 in terms of self-assessed income tax (including capital gains), withholding income tax, corporation tax, consumption tax and inheritance tax.

2. The "Number of Requests for Reinvestigation" and the "Number of Requests for Reconsideration" are the figures for the 2004 fiscal year.

3. The "Number of Litigation Cases" is the total number of litigation cases for each level of trial for the 2004 fiscal year.

4. The "Total" Number of Litigation Cases includes the cases for National Tax Tribunal and Regional Tax Tribunals

Tax Consultations

Number of Tax Consultation Cases Handled by Tax Counsel Offices and via Tax Answer System

(2006 fiscal year)

	Thousand cases
Income tax	1,501
Corporation tax	233
Property tax	686
Consumption tax	90
Other indirect taxes	61
Tax collection	94
Others	296
Subtotal	2,961
Tax Answer System	38,293
Total	41,254

Number of Complaints Received at Tax Counsel Offices

(2006 fiscal year)

Income tax	549
Corporation tax	336
Property tax	65
Consumption tax	49
Other indirect taxes	15
Tax collection	41
Others	333
Total	1,388

International Taxation

Fraudulent Income Made through Overseas Transactions

(2005 business year)

Number of cases of fraudulent overseas income	78 cases
Amount of fraudulent income made overseas	8,300 Million yen

Notes: The data represent figures of corporations for which the NTA's Large Enterprise Examination Division is responsible (i.e. corporations capitalized at ¥100 million or more).

Status of Transfer Pricing Taxation

(2005 business year)

Number of cases closed	119 cases
Amount of taxable income	283,600 Million yen

Notes: The data represent figures of corporations for which the NTA's Large Enterprise Examination Division is responsible (i.e. corporations capitalized at ¥100 million or more).

The Five Most Frequent Tax Consultation Topics In-Person and Telephone Consultations

(2006 fiscal year)

Ranking	Tax Item	Topic	Thousand cases
1	Income tax	Obligation to file returns and filing procedures, etc.	285
2	Income tax	Medical expenses deduction	159
3	Income tax	Preparation of tax returns, statements of accounts, and other forms	117
4	Income tax	Special credit for loans relating to a dwelling	117
5	Income tax	(Special) exemption for spouse, and exemption for dependents	98

Tax Answer System

(2006 fiscal year)

Ranking	Tax Item	Topic	Thousand cases
1	Income tax	Cases in which funds are spent on medical expenses (medical expenses deduction)	1,240
2	Income tax	Tax rate of income tax	958
3	Income tax	Medical expenses subject to medical expenses deductions	740
4	Income tax	Tax return filing	570
5	Income tax	Exemption for dependents	516

Taxpayer Satisfaction

(2005 business year)

Item	High Satisfaction Rate
	%
Attitude of officials in providing services	78.9
Level of convenience in using Tax Office	56.3
Evaluation regarding PR activities	70.7
Evaluation regarding activities to collect public opinions	78.3
Level of satisfaction with consultations at Tax Counsel Offices	
In-person	91.6
Telephone	67.4

* "High Satisfaction Rate" is the percentage of respondents giving high evaluations ("good" or "somewhat good" on a five-grade scale between "good" and "bad") in a questionnaire survey.