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※ The time period of figures is indicated on the title line or at the top right of individual tables. The fiscal year ranges from April 1 through March 31 of the following year, (i.e. fiscal year 2007: April 1, 2007 to March 31, 2008) while the operation year is from July 1 through June 30 of the following year (i.e. operation year 2007: July 1, 2007 to June 30, 2008). The calendar year ranges from January 1 through December 31 of the same year during which income tax returns are filed. The amount of sub-total in each item of accounts may not accord with the amount indicated in the grand total as fractional figures are rounded off.

Tax Revenues and Budget

Budget and Final Accounts of Taxes and Stamp Revenues for Fiscal year 2007

	Item	Budget	Actual
		Million yen	Million yen
General Account	Withholding income tax	12,965,000	12,928,501
	Self-assessed income tax	3,133,000	3,151,542
	Corporation tax	15,963,000	14,744,398
	Inheritance tax	1,503,000	1,502,560
	Consumption tax	10,572,000	10,271,861
	Liquor tax	1,495,000	1,524,183
	Tobacco tax	926,000	925,346
	Gasoline tax	2,135,000	2,110,543
	Liquefied petroleum gas tax	14,000	13,666
	Aviation fuel tax	93,000	88,039
	Petroleum and coal tax	533,000	512,851
	Power resources development promotion tax	346,000	352,157
	Motor vehicle tonnage tax	716,000	739,857
	Customs duty	929,000	940,991
	Tonnage due	9,000	9,645
	Others *	–	261
	Stamp revenue	1,219,000	1,201,845
	Subtotal	52,551,000	51,018,246
	Local road tax	304,400	301,776
	Liquefied petroleum gas tax (transferred)	14,000	13,666
	Aviation fuel tax (transferred)	16,900	16,007
	Motor vehicle tonnage tax (transferred)	358,000	369,929
	Special tonnage due	11,300	12,057
	Gasoline tax	709,900	709,900
	Special tobacco tax	213,800	214,224
	Total	54,179,300	52,655,804

* "Others" include collection of delinquent tax, such as the commodity tax, land value tax, etc.

NTA Initial Budget for Fiscal year 2009

	Item	Budget
		Million yen
General Expenditures	IT-related expenses	47,445
	Expenses to improve convenience for taxpayers *1	13,847
	Expenses related to internationalization measures	870
	Expenses to improve work environment *2	7,426
	Expenses related to tax reforms	2,169
	Expenses for tax forms & communications	14,009
	General operating expenses *3	46,944
	Expenses for National Tax College	2,610
	Expenses for National Tax Tribunal	427
	Expenses for National Research Institute of Brewing	1,142
	Subtotal	136,889
	Salary costs	583,567
	Total NTA budget	720,456

*1 "Expenses to improve convenience for taxpayers" include expenses related to maintenance of the e-Tax and the filing assistance on the NTA website.

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

*3 "General operating expenses" include wage expenses for part-timers, travel expenses, honoraria for hired bookkeeping instructors, and PR expenses.

Tax Returns and Taxation

Income Tax

(Calendar year 2008)

	Thousand persons
Total population	127,770
Persons engaged	64,120
Number of final returns for income tax	23,690
Refund	12,840
Tax payment	7,520
Breakdown by income earners	
Business income earners	1,660
Other income earners	5,860
Real estate income earners	1,090
Employment income earners	2,550
Miscellaneous income earners	1,970
Others	250

* "Total population" and "persons engaged" represent figures as of 2007.

Inheritance Tax

(Calendar year 2007)

Number of deceased	1,108,334 Persons
Number of deceased subject to taxation	46,820 Persons
Number of taxpayers (number of heirs)	137,957 Persons
Taxable amount	10,655,700 Million yen
Amount of tax	1,266,600 Million yen

Gift Tax

(Calendar year 2007)

Number of persons subject to taxation	358,832 Persons
Value of properties acquired	2,053,800 Million yen
Amount of tax	107,400 Million yen

* Figures include the taxation system for settlement at the time of inheritance.

Withholding Agents and Withholding Income Tax

(Operation year 2007)

Income etc. category	Number of Withholding Agents	Amount of tax
	Thousands	Million yen
Employment income (wages and salaries)	3,810	9,889,100
Retirement income	—	269,100
Interest income, etc.	48	757,700
Dividend income	130	2,293,200
Capital gains on listed shares etc. kept in special account	7	209,500
Income from remuneration, etc.	3,043	1,188,600
Income paid to non-residents and foreign corporations, etc.	25	385,500
Total	—	14,992,700

* The figures of withholding agents are as of the end of June 2008.

Number of Corporations and Corporation Tax

(Operation year 2007)

Number of corporations	3,003 Thousands
Number of Tax returns filed	2,799 Thousands
Percentage of corporations filing	89.9%
Percentage of returns declaring a surplus	32.3%
Amount of self-assessed income	55,287,100 Million yen
Amount of self-assessed loss	16,187,800 Million yen
Amount of tax	13,703,600 Million yen

* The number of corporations is effective as of the end of June 2008.

Consumption Tax

(Fiscal year 2007)

	Payment	Refund
	Thousand cases	Thousand cases
Number of tax returns		
Individual	1,455	38
Corporations	1,969	118
Total	3,424	156
Amount of tax	9,978,600 Million yen	2,752,100 Million yen

Liquor Tax and Liquor Production

(Fiscal year 2007)

Type	Volume of production	Amount of tax
	Thousand kl	Million yen
Sake	505	77,196
Sake compounds	53	5,468
Continuous distillation Japanese spirit (shochu)	419	93,799
Simple system distillation Japanese spirit (shochu)	580	136,244
Mirin (rice cooking wine)	116	2,269
Beer	3,470	755,741
Fruit wine	67	6,203
Sweet fruit wine	6	713
Whisky	56	21,146
Brandy	6	2,369
Sparkling liquor	1,528	204,467
Alcohol for raw materials & Spirits	157	11,215
Liqueurs	1,025	86,580
Other brewed liquor	835	67,862
Powder liquor and miscellaneous liquor		
Total	8,823	1,471,268

About the NTA

Promotion of Tax Filing and Payment by Proper Self-Assessment

Improvement of Taxpayer Convenience and Administrative Efficiency

Tax Administration Under Growing Globalization

Remedy for Infringement of Taxpayer Rights

Administration of the Liquor Industry

Future Challenges

Statistics

Tax Examinations

Examination of Self-assessed Income Tax

(Operation year 2007)

	Number of Cases	Amount of Unrecorded Income		Additional Tax Revenue Collected	
		Million yen	Per case Thousand yen	Million yen	Per case Thousand yen
Field examination	Thousands				
Special, General *1	60	582,800	9,650	112,100	1,860
Focusing *2	175	337,100	1,920	15,900	90
Brief contact *3	590	43,600	70	4,200	10
Total	827	963,500	1,170	132,200	160

*1 "Special, General" refers to a deep examination focused on the large amount and serious violations.

*2 "Focusing" refers to a quick examination to find unrecorded income, etc.

*3 "Brief contact" refers to correct tax declaration by telephone or by summoning taxpayers to the tax offices.

Examination of Withholding Income Tax

(Operation year 2007)

Number of Cases Examined	Number of Illegal Case	Additional Tax Revenue Collected
199 Thousands	57 Thousands	57,500 Million yen

Field Examination of Corporation Tax

(Operation year 2007)

	Number of Cases	Amount of Unrecorded Income		Additional Tax Revenue Collected	
		Million yen	Per case Thousands	Million yen	Per case Thousands
Entire corporations	Thousands				
	147	1,625,900	11,072	391,600	
Of which, corporations handled by the Large Enterprise Examination Department	4	848,300	211,241	203,600	

Examination of Consumption Tax

(Operation year 2007)

	Number of Cases	Number of Undeclared Cases	Additional Tax Revenue Collected	
			Million yen	Per case Thousand yen
Individuals	91	66	25,900	280
Corporations	139	76	66,800	480

Field Examination of Inheritance Tax

(Operation year 2007)

Number of Cases	Number of Undeclared Cases	Amount of Unrecorded Inheritance		Additional tax revenue collected	
		Million yen	Per case Thousand yen	Million yen	Per case Thousand yen
14	12	411,900	29,750	94,100	6,800

Collected Number of Statutory Information

(Operation year 2007)

Name of Statutory Information	Collected Number
	Thousands
Withholding record of employment income	19,659
Payment record of interest and others	2,415
Payment record of dividends, distribution of surplus, and interest paid on guaranty capital	6,356
Withholding record of public pensions, etc.	33,217
Payment record of remuneration, fees, contracts and prize money	9,359
Payment record of consideration for transfer of stocks, etc.	5,766
Record of remittance and receipt related to foreign countries	3,910
Others	54,817
Total	135,499

Criminal Investigation

Criminal Investigations

(Fiscal year 2008)

Number of Cases Conducted	Number of Cases Closed	Number of Cases Referred to the Prosecutor	Amount of Tax Evasion		Amount of Tax Evasion (Reference to the Prosecutor)	
			Million yen	Per case Million yen	Million yen	Per case Million yen
211	208	153	35,100	169	24,900	163

Large-scale Cases

(Fiscal year 2008)

Number of Cases Referred to the Prosecutor	Incl: over 300 million yen tax evasion	Incl: over 500 million yen tax evasion
153	14	7

Referred to the prosecutor by Tax Item

(Fiscal year 2008)

Tax Item	Number of Cases	Tax Evasion	
		Million yen	Per case Million yen
Income tax	40	4,000	100
Corporation tax	97	18,600	192
Inheritance tax	4	1,000	263
Consumption tax	12	1,300	106
Total	153	24,900	163

Delinquency

Tax Delinquency Cases of 100 million yen or more by Industry

(As of the end of fiscal year 2008)

Industry	Number of Persons		Amount of tax	
		%	Million yen	%
Manufacturing	54	4.2	11,587	3.3
Distribution	79	6.1	24,502	7.0
Real estate & construction	357	27.7	92,648	26.6
Food & beverage	82	6.4	16,168	4.6
Financials	29	2.2	16,674	4.8
Other industries *1	340	26.4	79,142	22.7
Others *2	348	27.0	107,997	31.0
Total	1,289	100.0	348,718	100.0

*1 "Other industries" refer to the hospital (doctors), service industry, leisure industry, etc.

*2 "Others" refer to wage earners, pensioners, etc.

Remedy for Infringement of Taxpayer Rights

Request for Reinvestigation

Category	Number of Requests for Reinvestigation	Number of New Requests for Reinvestigation ①	Number of Cases Processed ②	Number of Requests Approved ③	Percentage③/②
					%
Taxation-related	5,322	3,955	4,224	552	13.1
Collection-related	819	735	732	3	0.4
Total	6,141	4,690	4,956	555	11.2

Request for Reconsideration

Category	Number of Requests for Reconsideration	Number of New Requests for Reconsideration ①	Number of Cases Processed ②	Number of Requests Approved ③	Percentage③/②
					%
Taxation-related	3,997	2,441	2,030	298	14.7
Collection-related	552	314	374	6	1.6
Total	4,549	2,755	2,404	304	12.6

Litigation

Category	Number of litigation	Number of Cases filed for first instance ①	Number of Cases Closed ②	Number of Lost Cases and Partial Defeat ③	Percentage③/②
					%
Taxation-related	593	132	289	46	15.9
Collection-related	149	40	98	9	9.2
Total	742	172	387	55	14.2

*1 The figures for requests for reinvestigation and reconsideration are those of fiscal year 2007.

*2 The figures for cases for litigation are total numbers for each level of trial in fiscal year 2007.

*3 The figures indicated in the "total" litigation include those examined by the National Tax Tribunal.

Tax Consultations

Cases of Tax Consultation Received by Tax Counsel Offices and Cases of Responses in Tax Answer System

(Fiscal year 2008)

Tax Consultations		Thousand cases
	Income tax	2,678
	Corporate tax	272
	Property tax	686
	Consumption tax	132
	Other indirect taxes	149
	Tax collection	284
	Other	676
	Subtotal	4,877
	Tax Answer System	32,093
	Total	36,970

Cases of Complaints Received at the Tax Counsel Offices

(Fiscal year 2008)

Income tax	836
Corporation tax	439
Property tax	65
Consumption tax	34
Other indirect taxes	16
Tax collection	40
Others	237
Total	1,667

Top Five Tax Items Frequently Consulted

[Consulted by interview & telephone]

(Fiscal year 2008)

Ranking	Tax category	Items	Thousand cases
1	Income tax	Obligations and procedures to file tax returns, etc.	451
2	Income tax	Special credit for loans relating to a dwelling.	306
3	Income tax	Medical expenses deduction	277
4	Income tax	Year-end adjustment	236
5	Income tax	(Special) exemption for spouse and exemption for dependents	164

[Tax Answer System]

(Fiscal year 2008)

Ranking	Tax category	Items	Thousand cases
1	Income tax	When paid medical expense (medical expenses deduction)	1,110
2	Income tax	Medical expenses eligible for medical expenses deduction	612
3	Income tax	Tax rate of income tax	504
4	Income tax	Exemption for dependents	415
5	Income tax	Acquisition of a dwelling and special measures for income tax (special credit for loans relating to a dwelling and special credit for home improvement loans relating to the specified purposes)	408

International Taxation

Fraudulent Income through Overseas Transactions

(Operation year 2007)

Cases of fraudulent overseas income	89 Cases
Amount of fraudulent overseas income	11,200 Million yen

* The figures are for corporations under the supervision of the Large Enterprise Examination Division (with more than ¥100 million in capital in principle)

Transfer Pricing Taxation

(Operation year 2007)

Number of taxation cases	133 Cases
Amount of taxable income	169,600 Million yen

* The figures are for corporations under the supervision of the Large Enterprise Examination Division (with more than ¥100 million in capital in principle)

Cases of Advance Pricing Arrangement related to Transfer Pricing

(Operation year 2007)

Number of cases requested	93 Cases
Number of cases processed	70 Cases

* The figures are for corporations under the supervision of the Large Enterprise Examination Division (with more than ¥100 million in capital in principle)

Taxpayer Satisfaction

Items	Percentage of High-ranked Rating
	%
Attitude of officials in providing services	79.9
Convenience in using the tax office	62.6
PR activities	72.3
Activities to collect public opinions	86.6
Satisfaction level at the Tax Counsel Offices	Interview 90.9 Telephone 69.8

*1 The figures for "Attitude of officials in providing services" and "Convenience in using the tax office" are based on operation year 2007, while other figures are based on calendar year 2007.

*2 The percentage of high-ranked rating shows responses rated as "good" and "somewhat good" on a five point scale from "good" to "bad" in the questionnaire survey.