

II Enhancement of Services for Taxpayers

~Enhanced taxpayer services achieved by public relations activities, tax education, tax consultation, etc.~

Japan adopts a self-assessment system for most of national taxes. Under this system, taxpayers themselves determine the amount of tax and pay it. On the other hand, for local taxes, the official assessment system is generally adopted.

For national taxes, the official assessment system was used before World War II, in which tax authorities calculated income, and notified taxpayers of the tax amount. In 1947, in order to democratize the tax system, the self-assessment system was adopted for three taxes (income, corporation, and inheritance), and this method has since been adapted to many of the national taxes.

In order for the self-assessment system to function properly, it is necessary for taxpayers to have a high level of awareness regarding tax payment, and to proactively and properly fulfill the obligation of tax responsibilities as provided by the constitution and law. To this end, the NTA is working to enhance a variety of services for taxpayers to help them correctly file and pay taxes by themselves. These include (1) public relations activities and tax education relating to the significance and function of taxes and knowledge about the tax law, (2) clarification of legal interpretation and of practices and procedures, etc., and (3) centralization of taxpayer contact points, (4) efforts to improve taxpayer convenience in tax consultation and filing returns.

In order to check that the tax returns filed by taxpayers, and to guide them to file correctly, there is a need to provide accurate tax examinations and guidance, and cooperation and coordination with Certified Public Tax Accountants (CPTAs) and relevant private organizations. Furthermore, if national taxes are not paid by the due date, the NTA encourages voluntary tax payment, and if they are still not paid, then it is necessary to work on certain collection of national taxes, e.g. by implementing disposition for delinquent tax. To this end, the NTA works to promote proper and fair tax administration, giving appropriate instructions and conducting examinations on taxpayers who need to be corrected in order to have accurate filings, as well as conducting strict and appropriate delinquent tax collection based on laws and regulations, while considering the actual situation of each delinquent taxpayer.

1 Providing information, etc.

~Various public relations activities to improve taxpayer services~

For taxpayers to proactively and properly file and pay taxes, they first of all must understand their tax payment duty.

To this end, the NTA carries out public relations activities to enhance a variety of services for taxpayers to help them correctly file and pay taxes. These include significance of tax payment, provision of information regarding tax law and procedures, tax education and efforts to enhance convenience of tax consultations and tax procedures.

As specific public relations, focused on the NTA website www.nta.go.jp (accessed 143,020,000 times in fiscal 2012), the NTA provides a variety of information on the significance and roles played by taxes, and on the tax system. The information is provided through mass media such as TV and newspapers, public relations media such as pamphlets made available at the Tax Offices as well as municipal offices, and various explanatory meetings.

The NTA also responds to general inquiries and consultations related to taxes on the telephone, while providing information on the interpretation and handling of general tax law through the NTA website, etc. Furthermore, it responds to advance inquiries where there are questions in tax application to transactions taxpayers are going to make. The NTA thus works for proper self-assessment by taxpayers.

(1) Information provided on the NTA website

~The NTA website is designed with a focus on taxpayer convenience~

The NTA website provides information on tax filing and payment procedures, etc. To enable anyone to easily use it, the NTA is working to enhance the website's guidance functions according to user aims, and pays attention to convenience for the visually disabled and elderly by providing text enlargement, voice reading functions, etc.

To give people easy access to the information they want to know, the NTA website's top page is designed to give entry to various information as shown below.

Overview of the NTA website * The following diagram is as of May 2013.

- 1 Tax Answer System**
 - ◆ Portal to the FAQ where frequently asked inquiry and general answers are posted
- 2 Search for Regional Taxation Bureaus and Tax Offices**
 - ◆ Portal to the pages of each Regional Taxation Bureau
- 3 Filing assistance on the NTA website**
 - ◆ In this system, if a taxpayer follows the screen guidance and inputs monetary amounts etc., taxes are automatically calculated, and tax returns for income tax, consumption tax and gift tax can be prepared
 - ◆ Prepared tax returns can be submitted by e-Tax
 - Printouts can be submitted by postal mail
- 4 Online national tax return filing and tax payment system (e-Tax)**
 - ◆ Information to support filing tax returns and payment using e-Tax for "Prior preparation," "Advanced registration," "Flow of procedures," etc.
- 5 Road price rating map**
 - ◆ Road price rating information for 3 years throughout Japan



- 6 Auction information**
 - ◆ Provide information on properties for public auction (selling of seized properties by bidding, etc.) executed at Regional Taxation Bureaus and Tax Offices throughout Japan, information on auction procedure, etc.
- 7 See on video clip**

The tax information and the work of tax offices

 - ◆ Specific explanations of tax procedures, how to prepare tax returns, e-Tax use, etc.
 - ◆ Shows the NTA activities like tax examination and collection, in an easily understood drama format
- 8 Tax learning section**
 - ◆ Section to have fun learning about taxes, with games and quizzes for both children and adults
 - ◆ Provides tax education learning materials for school teachers
- 9 Text enlargement /voice readings**
 - ◆ Support functions for the elderly and those who have visual disorders
- 10 Introduction**

The role of taxes and the work of tax offices

 - ◆ Explain "the role of taxes and the work of tax offices" by using movie and illustration for easy understanding
- 11 Email magazine**
 - ◆ Registration of "What's new?" and Email magazine delivery service"

*1 Newly created to provide information on the Great East Japan Earthquake.
 *2 The NTA website and the free video sharing site "YouTube" deliver videos with information on the NTA activities (including publicity activities of each Regional Taxation Bureau and Tax Office) and support for self-assessment procedures.

About the NTA
 Enhancement of Services for Taxpayers
 Proper Tax Examination and Collection
 Remedy for Infringement of Taxpayer Rights
 Proper Management of Liquor Administration
 Revision of Operations and Systems
 Statistics

(2) Tax education

~Developing the environment for, and providing support for enhanced tax education~

The NTA works on developing the environment for, and providing support for enhanced tax education, based on the thinking that tax education should be solidly provided in basic school education, and that it should be worked on by the entire society. The NTA is working to develop the environment for, and provide support for solid tax education, so that children and students who will serve as the next generation correctly understand the significance and roles of taxation which forms the country's basis, and to foster sound taxpayer consciousness.

Furthermore, the Council for Promoting Tax Education among related ministries, etc. (consisting of the Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology and the NTA, etc.) continuously meets to discuss effective support measures.

Past work includes dispatching teachers to tax education classes on the request of schools, development and distribution of tax education supplementary materials, organizing tax essay contests, via cooperation from the relevant private organizations, mainly by councils for promoting tax education established in each prefecture (members comprised of government, local authorities, educational leaders, etc.).

Also, a "Tax learning section" is provided on the NTA website, <http://www.nta.go.jp/shiraberu/ippanjoho/gakushu/kyousitu.htm> (in Japanese language), to enable students and those who are interested to study taxes on their own. Pages that describe the purpose and role of taxes are provided for easy understanding, as well as "tax education material" in electronic form for educational leaders such as school teachers to use for educational purposes.

Also, "Tax☆Space UENO", facility for tax education, is set up in the Tokyo-Ueno Tax Office, where "Tax Office Tour" and "Experiential Learning" events are held.

For detailed information, please see the NTA website, <http://www.nta.go.jp/tokyo/shiraberu/gakushu/taiken/01.htm> (in Japanese language)

Tax☆Space UENO contacts for questions or to apply to use it
Special Officer (Public Relations), Tokyo-Ueno Tax Office
Tel 03-3821-9001 (Representative) (Ext 361, 362)



Tax☆Space UENO



Tax learning section

● Number of lecturers dispatched to Tax Education Class, etc.

Fiscal Year	2010	2011
Officials	8,867	8,199
Non-officials	13,614	15,031
Total	22,481	23,230

● Number of essays entered for Tax Essay Contest

Fiscal Year	2011	2012
Received from high-school students	175,442	182,736
Received from junior high-school students	561,537	584,661

Providing tax knowledge through the Tax Museum

The Tax Museum, located on the Wako campus of the National Tax College has valuable collections of historical documents and materials regarding national taxes. The Museum displays the large number of collections throughout the year and is open to a wide variety of visitors from specialists on tax history to high school students and other people.

Besides, specialized staffs at the Museum engage in research of archives and past tax system.

For further information, please visit the National Tax College section within this website, www.nta.go.jp/ntc/english/



Tax Museum

(3) Briefings for taxpayers

~Organizing various educational sessions to provide information about taxes~

To help taxpayers better understand the tax procedures and tax system revisions, the NTA holds briefings at Tax Offices throughout Japan.

Specifically, a variety of briefings are held to provide information on taxes, including: 1) briefings on the necessity of bookkeeping and maintaining accounting books, with guidance on how to prepare tax returns and financial statements, 2) year-end adjustment briefings for withholding agents, 3) briefings on revisions to the tax laws, and 4) briefings for newly established corporations.

● Frequency of briefings and number of participants (operation year 2011)

Various briefings	
Frequency held	23,443 times
Number of participants	1,087 thousand people

(4) Advance inquiries

~Enhanced predictability for taxpayers~

In case taxpayers have some doubts regarding specific applicability of tax laws to the transactions conducted or to be conducted, Tax Offices and Regional Taxation Bureau provide advance tax consultations. When requested, a written answer may be provided under certain conditions, together with such answers to be disclosed to the public on the NTA website in order to help other taxpayers to improve its predictability as well. The NTA may also disclose selected oral answers to the inquires made by taxpayers as Q&As on the NTA website, so that it can serve as reference for other taxpayers, in order to enhance predictability of application of tax laws.

● Number of Advance Inquiries received by written reply procedure

Fiscal year	2011	2012
Number of Advance Inquiries Received	178	147

● Number of Q&A examples posted on website

Fiscal year	2011	2012
Number of Q&A posted	1,728	1,756

◎ Examples of answers provided in writing

- Handling of medical expenses deduction concerning compensation of sputum suctioning by certified care workers, etc. under long-term care insurance system
- Handling of tax concerning trust-type incentive plan through employee shareholding association

(5) Tax consultation

~General tax consultations are handled at centralized telephone consultation centers~

Tax consultations are provided as part of taxpayer services, so that taxpayers can do proper self-assessment and tax payment themselves. These provide information on taxation, and answer general questions on taxation. The NTA established Phone Consultation Centers in Regional Taxation Bureaus to answer taxpayer questions and provide consultation on taxes. These provide centralized handling of general tax consultations.

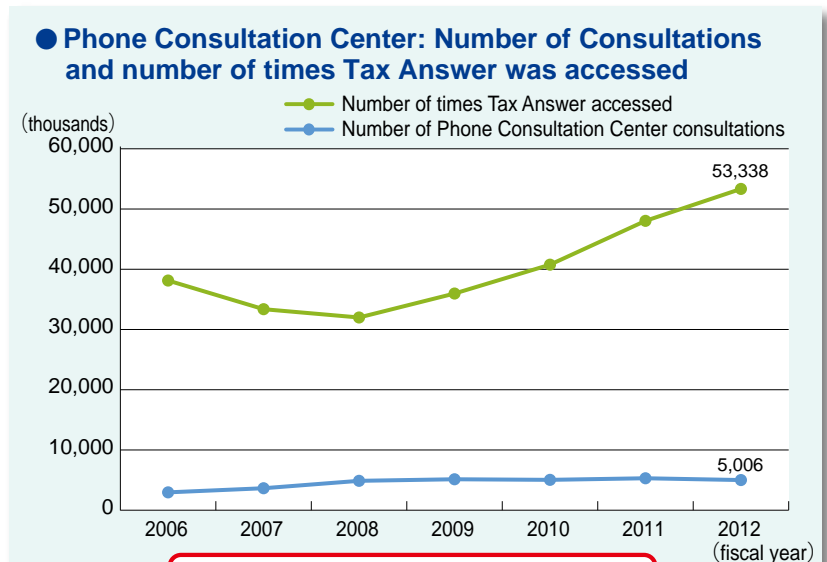
For foreigners, there are also Tax Counselors who can handle tax consultation in English, who are assigned to Phone Consultation Centers at Regional Taxation Bureaus in Tokyo, Nagoya and Osaka.

Also, the NTA website provides information in its "Tax Answers," which posts general answers to frequently asked questions (it also provides a mobile phone site.).

For further details, please refer to the NTA website, <http://www.nta.go.jp/taxanswer>



Phone Consultation Center



The number of access to the "Tax Answer" system has increased since FY2008.

Mobile site of Tax Answer can be accessed from the code on the right.



◎ Frequently asked questions to Tax Answer System

1. When taxpayer has paid medical-care expenses (medical expenses deduction)
2. Income tax rate
3. Medical expenses covered by tax deduction

~Tax Offices will provide individual and specific tax consultation services on a prior appointment basis~

When consultation by interview is required, for example if it is necessary to check specific documents or facts, there is an appointment system at the Tax Office with jurisdiction. This serves to eliminate wait time at the Tax Office, as part of our efforts for effective and efficient operation which matches the content of consultations.

2 e-Tax (online national tax return filing and tax payment system)

~Strongly promote various measures in order to encourage and stabilize the use of e-Tax~

e-Tax enables users to file income, corporation and consumption tax returns, as well as submit statutory records, apply for blue return filing, etc. via internet instead of submitting paper-based documents. All tax items can be paid via direct payment, the Internet, Pay-Easy¹ compatible ATMs, etc.

e-Tax enables taxpayers and CPTAs to file and pay from homes and offices without actually visiting tax offices or banks. Also, when taxpayers use tax and accounting software compatible with e-Tax, they will reduce paperwork as the set of work from data preparation to filing can be done digitally.

e-Tax also directly reduces administration work such as receiving tax returns at the counter or by postal mail, and inputting data. It also indirectly reduces document management costs for tax authorities, thereby promotes the efficiency of tax administration.

Based on these reasons, in order to encourage and stabilize the use of e-Tax, the NTA has strongly promoted various measures which have been incorporated in the “Work Process Reengineering Plan” (revised March 2013) of NTA which was established in May 2012 relating to the “Action Plan for Promoting the Utilization of Online” (decided March 2006, revised March 2007), the “Action Plan for Expanding the Utilization of Online” (decided September 2008), and the “New Plan for the Utilization of Online” (decided August 2011). Specifically, tax refund period for filings made via e-Tax was shortened, submission of a certain attachment documents such as medical receipts by individuals to claim medical deduction can be omitted², digital signature by the taxpayers can be omitted in cases where CPTAs files returns on behalf of the taxpayers, etc.

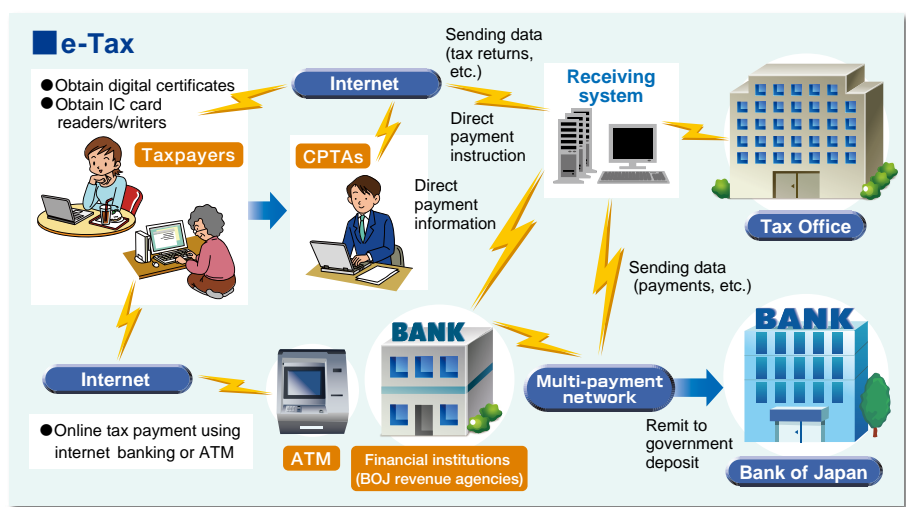
In fiscal 2012, we continued to work on improving taxpayers convenience in the same areas as in fiscal 2011, such as 24-hour service to receive returns and the provision of help-desk service on Sundays during the filing period when access to e-Tax is concentrated, extension of business hours in the end of specific month when many corporation tax returns are filed, and made e-Tax filing available for gift tax filing.

For overview of “Business Process Reengineering Plan” in the NTA, please see page 17.

How to use e-Tax...

1. Obtain digital certificates
2. Obtain IC card readers/writers
3. Obtain user identification numbers
4. Register digital certificates (initial registration)

For details, please see e-Tax website, www.e-tax.nta.go.jp



¹ “Pay-Easy” is a service where taxpayers can use PCs connected to the Internet and ATMs to pay public utility charges, which used to be paid at the counters of financial institutions and convenience stores.
² In case submission of attachment documents are omitted, the entries of descriptions of the attachment documents are required to be inputted and transmitted together with tax returns.
 In order to check on the entries of descriptions, if it is necessary, the Tax Offices may ask taxpayers to submit or present original copies during a five-year period from the legally required due date for filing.

~Overview of “Business Process Reengineering Plan” at the NTA~

In the “Business Process Reengineering Plan”, the NTA fixed certain criteria relating to enhanced taxpayer convenience and the efficiency of administrative management such as “percentage of online use”, “e-Tax user satisfaction” and “cost per receipt of online application”, and the NTA works on various measures toward the achievement of each goal. The NTA will actively promote “Business Process Reengineering Plan” in order to maximize improvement in taxpayer convenience and clerical efficiency by encouraging and stabilizing the use of e-Tax.

Overview of “Business Process Reengineering Plan” at the NTA

Period covered 3 years from FY2011 to FY2013

Procedures covered

● **3 procedures which depend on prevalence rates, etc. of the Public Certification Service for Individuals:**
Income tax filing, consumption tax (individual) filing and request for issue of tax payment certificate

● **12 other procedures than the aforementioned:**
Corporate income tax filing, consumption tax (corporate) filing, liquor tax filing, stamp duty filing, withholding record of employment income (6 procedures), payment record of interest, etc. and notification of start (change, etc.) of electronic filing or tax payment

Criteria of result

Criteria relating to improved taxpayer convenience:

- e-Tax user satisfaction
→ Carry out survey with questionnaire to measure the user satisfaction.
- User satisfaction of NTA website “Section for Preparation of Tax Return, etc.”
→ Carry out survey with questionnaire to measure the user satisfaction.

Criteria relating to efficiency of administrative management:

- Cost per receipt of online application
→ Calculate from establishment costs, running operation, etc. per receipt of online application.
- Paperwork processing time
→ Calculate paperwork processing time which can be reduced by use of e-Tax.

Percentage of online use, etc. (common criteria to enhanced taxpayer convenience and efficiency of administrative management):

- Percentage of online use:
 - 3 procedures which depend on prevalence rates, etc. of the Public Certification Service for Individuals
 - Other 12 procedures than above
- ICT utilization rate
→ Set a goal for ICT utilization rate for income tax returns and consumption tax filing (individual).



ICT utilization rate shows the percentage of returns prepared by internet environment at home, etc. (including those filed in paper form) to the total income tax returns and consumption tax returns (individual) filed.

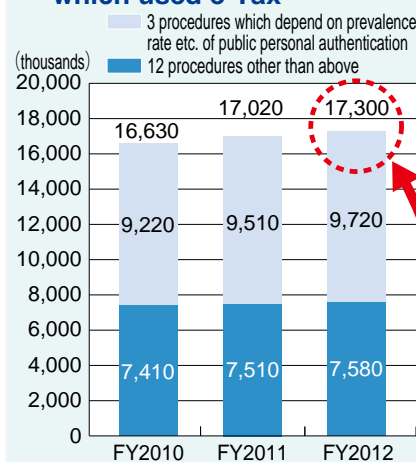
● Actual values, etc. of performance criteria of “Business Process Reengineering Plan”

Criteria of Performance	Baseline (Actual result of FY2010)	Results (FY2011)	Target (FY2013)
Criteria relating to improved user convenience			
e-Tax user satisfaction	66.4%	68.0%	70%
User satisfaction of the NTA website “Section of Preparation for Tax Return, etc.”	80.1%	80.1%	85%
Criteria relating to efficiency of administrative management			
Cost per application received online	¥581	¥508	Decrease from the previous year
Paperwork Processing time (Note 1)	99,729 hours (Actual result of FY2011)	99,729 hours	Increase from the previous year
Percentage of online use, etc.			
Percentage of online use			
3 procedures which depend on prevalence rate, etc. of the Public Certification Service for Individuals	41.1%	44.2%	50%
12 procedures other than above	70.1%	73.1%	76% (Note 2)
Utilization rate of ICT	57.3%	61.9%	65%

(Note 1) In the “Business Process Reengineering Plan”, the baseline time and target time for operational processing were decided to be established in FY2012 and later years. In FY2012, the baseline time (result of FY2011) and the target were established.

(Note 2) Originally, the target time for FY2013 was established at 72%. However, since the result of FY2011 (73.1%) has already exceeded the target, the target was increased to 76%.

● Number of applications, etc. which used e-Tax



* The figures are the number of utilization of focused procedures in “Business Process Reengineering Plan”.

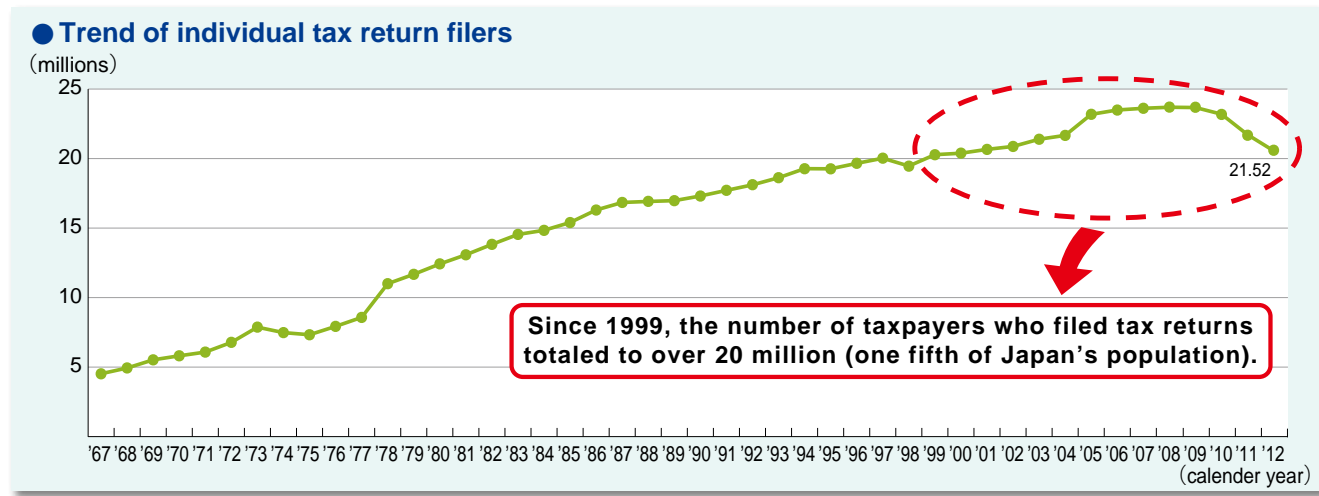
The number of utilization of e-Tax increases steadily.

3 Filing for tax return

~The number of taxpayers who filed tax returns totaled 21.52 million. More than half filed for tax refunds~

Tax filing is a procedure under the self-assessment tax system, in which the taxpayer calculates income and tax amount for a one year period, and files and pays taxes. In addition to persons obligated to file, there are people who file taxes to obtain an income tax refund, for example because they paid large medical bills. 21.52 million people filed their income taxes for 2012, thus one out of five residents filed taxes. Of these, over 12.57 million people filed for refunds, comprising over half of people filing income tax returns.

In response to diverse needs of taxpayers who file tax returns, the NTA is working to provide diverse services, to reduce the burden of filing.



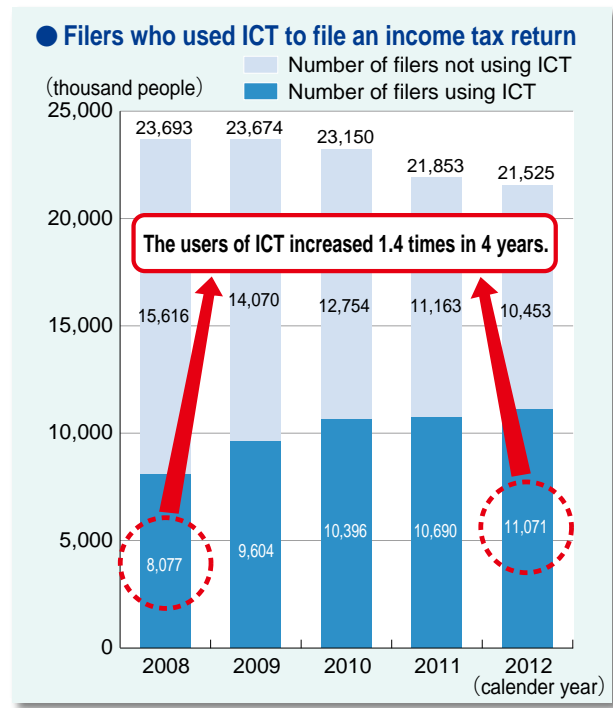
Various services are provided to meet with various needs of taxpayers
→ Implemented systems to enable easy and convenient filing process

(1) Promotion of filing using ICT

~e-Tax and filing assistance on the NTA website~

The NTA is actively using the advances in ICT in recent years to provide taxpayer services, using ICT to enable filing from home, etc. By using ICT such as filing assistance on the NTA website and e-Tax, taxpayers can file tax returns conveniently without visiting Tax Offices, anytime and without calculation errors.

To this end, the NTA carries out various activities such as publicity and briefings etc., so more taxpayers file using ICT. Also, at consultation sites of Tax Offices, there are PCs where people can use filing assistance on the NTA website, and taxpayers who came to consult about filing use the PCs to prepare tax returns and transmit them using e-Tax, experiencing the convenience of filing using ICT.



~Income tax returns prepared at the “filing assistance corner on the NTA website” totaled 8.13 million cases~

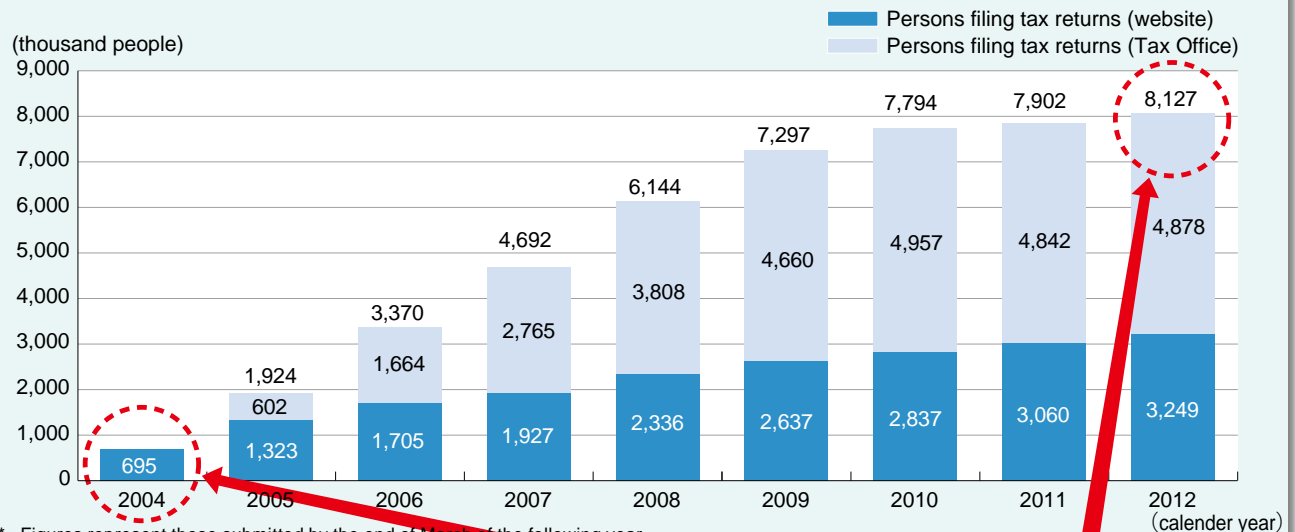
With the filing assistance on the NTA website, if a taxpayer enters the amounts and other necessary information according to guidance on the PC screen, income amounts and tax amounts are automatically calculated, and it allows taxpayers to complete their tax returns for income tax, individual consumption tax, and gift tax as well as financial statements for blue returns.

e-Tax can be used to file the prepared data directly from this website area, or it can be printed and submitted to the Tax Office by post, etc.

The number of users has increased each year since the filing period for 2002. In the filing period for 2012, the number of people who submitted income tax returns prepared with filing assistance on the NTA website reached 8,130,000, including those prepared via PCs set up at consultation sites. This comprised over 37% of all people who submitted returns. About 63% of these submitted their returns via e-Tax.

We will continue our efforts to improve the system to make it easier to use based on feedback from users, so that it can be used by as many taxpayers as possible.

● Trend in income tax return submissions prepared in filing assistance on the NTA website



* Figures represent those submitted by the end of March of the following year.

The use of filing assistance on the NTA website at PCs installed in the Tax Office started from tax returns for 2004. However, the number of taxpayers who submitted returns using this method remains unaccounted for.

The number of taxpayers who submitted tax returns for years before 2003 remains unaccounted for.

The number of taxpayers who submitted tax returns for years since 2007 includes cases using e-Tax.

The use of filing assistance on the NTA website increased by approximately 11 times in 8 years.

(2) Response to diverse taxpayer needs

~Opening tax office on Sunday during filing period~

Taxpayers said that “It’s a problem that filing consultations can only be handled on weekdays; I would like it if they were also provided on days when government offices are closed.” In response, the NTA receives tax returns and provides filing consultations on two Sundays during the tax return filing period at some Tax Offices, inside the Tax Office and at joint meeting sites outside the Tax Offices.

For the 2012 tax return filing period, the offices were open on February 24 and March 3, 2013, during which 281,000 income tax returns were filed.

Also, to enable taxpayers and their agents to obtain necessary information and forms without visiting Tax Offices, the NTA provides various filing information via the NTA website, as well as arranging various information sessions relating to filing and free consultation sessions by CPTAs for small business owners. The NTA plans to implement filing administration smoothly and efficiently by the limited number of staff, while meeting the various needs of taxpayers.

Cooperation with the local tax authorities

Among local taxes, tax mechanisms and taxpayers subject to local taxes are often the same as for national taxation. Therefore, in an effort to simplify taxpayer filing procedures, the NTA is working on close cooperation between national taxation (the NTA) and local tax (authorities) in system aspects and implementation aspects. For example, in the case of income tax filings, the NTA provides such information to local tax authorities, so there is no need to file for individual enterprise tax and individual inhabitant tax, which are local taxes.

Also, starting January 2011, as an initiative for much more efficient national and local tax operations, the NTA has been providing data such as income tax filings to local public bodies. Such increased use of ICT is an effort to boost efficiency and reduce the costs of administrative operations of national government and local public bodies.

4 Proper withholding tax system operation

~Providing more thorough information and publicity to withholding agents~

In the withholding tax system, withholding agents finalize the taxation process by doing year-end adjustments, which eliminate the procedures for tax returns for a large portion of the over 50 million wage and salary earners. The withholding tax system is as important in tax administration as smooth operation of the self-assessment system.

To have withholding agents properly process withholding tax procedures and pay taxes, the NTA provides information and publicity about the withholding tax system by holding briefings about year-end adjustment, distributing guidebooks and pamphlets, etc.

5 Certified Public Tax Accountants (CPTAs) system

~Missions of Certified Public Tax Accountants (CPTAs)~

Certified Public Tax Accountants (CPTAs) and CPTAs Corporations (hereinafter referred to as “CPTAs etc.”) are professional specialists on taxes. Their public mission is to respond to the trust of a person with a tax obligation in line with the principles of the self-assessment system, and achieve proper tax compliance as provided for in the tax laws and regulations, based on their independent and fair standpoint. As of March-end 2013, 73,725 persons are registered as CPTAs, and 2,575 CPTAs corporations are established.

~Services provided by CPTAs~

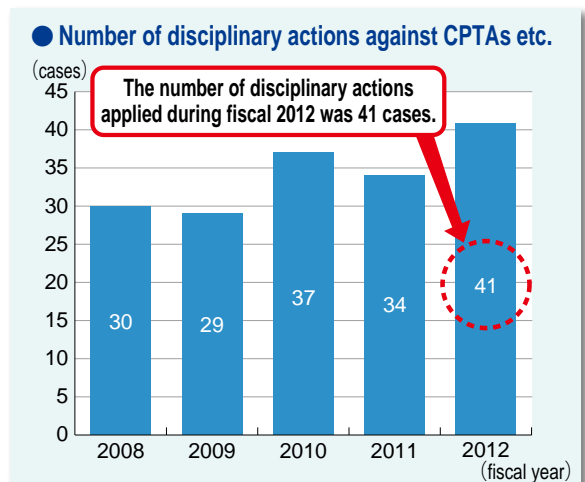
CPTA services are ① tax proxy, ② preparation of tax documents, ③ tax consultation service. These operations must not be performed by persons other than CPTAs etc., even at no charge. At the same time, CPTAs etc. are required to fulfill various obligations and responsibilities. For example, they are prohibited from providing tax evasion consultation and engaging in conduct which harms the credibility or dignity of CPTAs etc.

Taxpayers are able to use CPTAs etc. services (tax return preparation or professional advice) to properly file returns and pay taxes. In addition, because corporations and sole business proprietors often ask CPTAs etc. to process accounting books or seek advice on accounting, they also play important roles in promoting correct bookkeeping that constitutes the basis for filing tax returns.

~Ensuring proper services are provided by CPTAs~

In order to ensure public trust in the CPTA system, the NTA utilizes every opportunity to alert people and prevent CPTAs etc. delinquency. Also, the NTA conducts appropriate examinations of CPTAs etc., and take strict action against CPTAs etc. who violate the Certified Public Tax Accountant Act and so called “fake CPTAs” who conducts CPTA services without licenses, by applying disciplinary actions and filing accusations seeking prosecution.

The NTA discloses the names of disciplined CPTAs etc. in the official gazette and via the NTA website.



~Coordination and cooperation with Certified Public Tax Accountants' Associations, etc.~

(1) Promotion of document attached by CPTAs to tax returns

The documents attached by CPTAs etc. to tax returns as provided for in the Certified Public Tax Accountant Act clarify the roles played by them in filing tax returns. The NTA is respecting such roles played by them. Specifically, this system allows CPTAs etc. to attach to tax returns the documents regarding the calculation, information arrangement, or consultation service that they provided for the preparation of tax returns. If the Tax Office intends to provide notification of the date, time and place it will conduct a tax examination to a taxpayer who filed a tax return along with such documents, then the CPTAs etc. possessing the certificate evidencing the authority of tax proxy must be given the opportunity to state an opinion on the items written in the attached documents, before the taxpayer is notified.

Because this system contributes to the correct preparation and filing of tax returns, facilitation and simplification of tax administration, and eventually establishment of a trusted CPTA system, the NTA is actively consulting with Certified Public Tax Accountants' Associations and Japan Federation of Certified Public Tax Accountants' Associations (hereinafter referred to as “CPTAs' Associations etc.”) with an aim to enhance the content of attachments and raise the percentage of returns with attachments. The NTA is also respecting this system. It is thereby further promoting and establishing this system.

(2) Promotion of e-Tax usage

CPTAs etc. play important roles in promoting use of e-Tax, the NTA requests CPTAs' Associations, etc. for cooperation to promote the use of e-Tax, as well as dispatching lecturers to training sessions arranged by CPTAs' Associations etc. (see page 16 for detailed information of e-Tax).

CPTAs' Associations and Japan Federation of CPTAs' Associations

In order to improve the work of CPTAs, CPTAs' Associations are designated in the Certified Public Tax Accountant Act as organizations which provide guidance, liaison and supervision to CPTAs and CPTAs corporations. There are now 15 CPTAs' Associations throughout Japan. CPTAs' Associations engage in a wide range of activities, including ① Training to enhance the qualities of CPTAs, ② Dispatch of lecturers for tax workshops in elementary, junior and senior high schools, universities, etc. to fulfill the tax education ③ Free tax consultation for small taxpayers.

The Japan Federation of Certified Public Tax Accountants' Associations is the only organization in Japan specified in the CPTA Act, consisting of member CPTAs' Associations. The Federation provides guidelines, liaison, and supervision for CPTAs' Associations and their members. It also handles the administration to register members, and conducts research on the CPTAs etc. system. For further details, please visit the website of the Federation at www.nichizeiren.or.jp

6 Cooperation with private organizations

~Provide necessary tax information to taxpayers in cooperation with relevant private organizations~

The NTA is implementing measures not only to provide information on taxes directly to taxpayers but also to convey information on taxes via cooperation from the relevant private organizations, such as blue return taxpayers' associations and corporations associations. These relevant private organizations are playing a large role in achieving a proper self-assessment system and in spreading knowledge about taxes.

The NTA is working to strengthen coordination and cooperation between these relevant private organizations, for example by holding various joint events to encourage use of e-Tax and for "Think About Tax Week."

Blue return taxpayers' associations

Blue return taxpayers' associations are organized to widen participation in the blue return system and promote the submission of proper tax returns through honest bookkeeping. They are formed mainly by sole business proprietors who use the system. There are about 3,200 associations nationwide, and the total number of members is about 870,000 (as of April 2013). Each blue return taxpayers' association performs a wide range of activities including the guidance on bookkeeping, holding seminars, and encouraging filing of blue returns. For further details, please contact the nearest blue return taxpayers' association.

Corporations associations

Corporations associations are organized for the purpose of spreading knowledge of tax and establishing a proper self-assessment system. There are 483 corporations associations as incorporated associations, and membership stands at about 870,000 corporations (as of December 2012). Corporations associations organize tax education, tax awareness campaign, seminars on tax and management, etc. For further details, please visit the website of the National General Federation of Corporations Associations at www.zenkokuhojinkai.or.jp

Indirect tax associations

Indirect tax associations are organized for the purpose of contributing to the spreading of knowledge about indirect taxes, and achieving fair taxation and proper administration in the self-assessment system. There are 571 associations nationwide with about 90,000 members (as of March 2012). Indirect tax associations make suggestions to the government on ways to enhance the tax system and to improve tax implementation. They also perform activities to spread knowledge about the consumption tax and to prevent tax delinquency. For further details, please visit the website of the National Federation of Indirect Tax Associations at www.kanzeikai.jp

Savings-for-tax associations

Savings-for-tax associations are organized by taxpayers aiming at continually completing payment of tax within the due date by means of savings. The associations are established pursuant to the Tax Fund Saving Partnership Act, and there are now about 44,000 associations (as of March 2011). Savings-for-tax associations conduct activities to promote payment of tax by the due date and coordinating tax essay contests for junior high school students. For further details, please visit the website of the National Federation of Savings-for-Tax Associations at www.zennoren.jp

Tax payment associations

Tax payment associations are organized under the jurisdiction of the Tax Offices of the Osaka Regional Taxation Bureau, for the purpose of aiming to spread knowledge about taxes, promote proper filing of returns and uplift tax payment morality.

There are 83 tax payment associations, and about 180,000 members belong to these associations (as of March 2012). The associations carry out activities which have large public benefits, such as holding various briefings, conducting publicity activities, working on tax education, etc. For further details, please visit the website of the Federation of Tax Payment Associations at www.nouzeikyokai.or.jp

Column Response to the Great East Japan Earthquake (As of end of March, 2013)

1 Extension of filing and payment deadlines for national taxes

On March 12, 2011, extension of filing and payment deadlines for national taxes (for designated areas) was announced regarding national taxes in Aomori prefecture, Iwate prefecture, Miyagi prefecture, Fukushima prefecture and Ibaraki prefecture (announced on March 15).

For these areas, the extension of deadlines was designated by stages based on the conditions after the earthquake. Accordingly, July 29 is set for Aomori prefecture and Ibaraki prefecture, September 30 for approximately 80% of inland municipalities of Iwate prefecture, Miyagi prefecture and Fukushima prefecture, December 15 for a part of maritime municipalities of Iwate prefecture and Miyagi prefecture, April 2, 2012 for Ishinomaki city, Higashi Matsushima city and Onagawa cho of Miyagi prefecture.

Also, for taxpayers who have difficulty in filing or paying taxes by the extended deadline due to the Great East Japan Earthquake, extension of deadline can be permitted on an individual basis (individual designation). The NTA notifies and publicizes such deadlines and individual designations to provide proper response to inquiries from taxpayers.

2 Consultation in filing period for final tax return

Tax offices in charge of damaged areas anticipated more crowdedness of tax return forms preparation sites than normal years due to filing and consultation of affected taxpayers. To mitigate the crowdedness during filing period for final tax return and to enhance the convenience of the affected taxpayers, we opened tax return forms preparation sites earlier so that those who suffered damage could obtain tax refunds at the earliest possible date.

For such facility, as in the previous year, backup staff from the Sendai Regional Taxation Bureau, Tax Offices in the jurisdiction of Sendai Regional Taxation Bureau, the Tokyo Regional Taxation Bureau and the Kanto-Shinetsu Regional Taxation Bureau (about 5,100 people in total) were dispatched to 16 Tax Offices in charge of the damaged areas in the jurisdiction of Sendai Regional Taxation Bureau to appropriately respond to the consultations on filing and paying tax of those affected.

Also, in Tokyo Regional Taxation Bureau, a total of about 100 officials (ten per day) answered to telephone consultations from the taxpayers in the jurisdiction of the Sendai Regional Taxation Bureau.

3 Measures related to liquor industry

(1) Ensuring the safety of liquors

After the occurrence of the Great East Japan Earthquake, the NTA conducted radioactive examinations for 7,719 liquors and brewing water in cooperation with National Research Institute of Brewing to ensure the fullest safety of liquors.

(2) Issuance of certificates for liquors to be exported

The NTA issued certificates on liquors to be exported in accordance with the requirement by the countries of export destination (After the occurrence of the Great East Japan Earthquake, the NTA issued 435 certificates of date of manufacturing, 4,377 certificates of place of manufacturing, and 814 certificates on radioactivity examinations.).

(3) Reducing liquor tax

In the revision of tax system for the fiscal 2013, concerning the fulfillment measures of liquor tax reduction rate for the liquor manufacturers of the affected areas, the NTA demanded to maintain the present reduced tax rate (6.25%) which had been to expiry at the end of March 2013, and the application period was extended to the end of 2016.

(4) Support for effective use and application of policy measures for small- and medium-sized companies

The NTA provided information for small- and medium-sized companies on various available policy measures (such as Reconstruction and Maintenance Subsidy Project for Facilities of Small- and Medium-sized Enterprises' Groups). Besides, the NTA consulted properly with liquor businesses for inquiries in cooperation with other governmental departments.

Special tax measures if damaged by the Great East Japan Earthquake

In order to reduce the burdens of victims of the Great East Japan Earthquake, Earthquake Special Measures Act entered into force on April 27, 2011.

Besides, in order to reduce the burdens of victims of the Great East Japan Earthquake, and to promote policy measures to reconstruct from the Great East Japan Earthquake, necessary revisions were made to laws, including the revision of a part of Earthquake Special Measures Act which entered into force on December 14, 2011.

Under this Earthquake Special Measures Act, principal tax treatments applicable to those who suffered damage from the Great East Japan Earthquake are as follows:

Income tax	<p>For ① casualty loss deduction methods determined in the Income Tax Act, and ② methods of tax reduction or release determined in the Act on Reduction or Release, Deferment of Collection and Other Measures Related to Tax Imposed on Disaster Victims, people with housing and household assets damaged by the Great East Japan Earthquake can choose to receive these reduction measures etc. for either 2010 or 2011.</p> <p>Besides, in case of Method ①, for the casualty loss caused by the Great East Japan Earthquake, the period of carry-forward deduction concerning the casualty loss amount was changed to 5 years (the Income Tax Act: 3 years).</p>
	<p>For losses of inventory assets and business use assets etc. due to the Great East Japan Earthquake, such loss amounts can be included in necessary expenses when calculating amounts of business income for 2010.</p> <p>Besides, for a certain amount of net loss that was caused for inventories and business assets etc., the period of carry-forward deduction concerning the net loss amount was changed to 5 years (the Income Tax Act: 3 years).</p> <p>① If a dwelling was receiving application of special credit for loans relating to a dwelling, but can no longer be lived in due to the Great East Japan Earthquake, application of the special credit for loans relating to a dwelling can continue to be received, during the remaining application period of special credit for loans relating to a dwelling, for that dwelling.</p> <p>② In the case of a taxpayer who lost a dwelling as it was destroyed by the Great East Japan Earthquake subsequently reacquired an alternative dwelling, such a taxpayer may elect "special measures for credit relating to reacquisition of a dwelling," instead of normal special credits for loans relating to a dwelling.</p> <p>③ The above ① and ② can be applied simultaneously.</p>
Corporation tax	<p>For corporations designated by an approved local government during the period December 26, 2011 through March 31, 2016, which were newly established in the reconstruction industrial park zone, the following special measures that allow deferral of corporation tax in each business year from the designated date to the date 5 years after from the designated date:</p> <p>① Tax deduction of reserves for re-investment allowed with the upper limit of income amount.</p> <p>② Special depreciation of re-investment reserves allowed in the fiscal year when re-investment of equipment or buildings in the reconstruction industry park zone with upper limit of reserve balance.</p>
Motor vehicle tonnage tax	<p>If a vehicle or a motorcycle was damaged by the Great East Japan Earthquake and scrapped within the valid period of its motor vehicle inspection certificate, then the owner can do the procedure for Permanent Deletion Registration or for notice of demolishing or dismantling at a Transport Branch Office or Light Motor Vehicle Inspection Organization, and submit a request for refund of motor vehicle tonnage tax, and thereby obtain refund of motor vehicle tonnage tax.</p>
	<p>If a person who was a user of a motor vehicle or a motorcycle damaged by the disaster acquires a replacement vehicle and obtains a motor vehicle inspection certificate, etc. during the period until April 30, 2014, then by submitting a notification of tax exemption for motor vehicle tonnage tax to a Transport Branch Office or Light Motor Vehicle Inspection Organization, the motor vehicle tonnage tax which pertains to the initially obtained motor vehicle inspection certificate, etc. is exempted.</p>
Stamp tax, etc.	<p>Stamp tax on a "contract on consumer loan" is exempted for a money loan to a person victimized by the Great East Japan Earthquake, at conditions which compared to conditions of other money loans are specially advantageous, by a local government or government related financial institution, etc.</p>
	<p>For cases such as a building acquired to replace a building demolished and removed because it was destroyed or damaged by the Great East Japan Earthquake and a building located in the area subject to the designation of evacuation zone, etc. as of the date when such designation of evacuation zone, etc. was made, the stamp tax is exempted for "contracts on transfer of real estate" and "contracts on contracting of construction work" made by that victimized person. Also, registration and license tax in relation to the registration of transfer of ownership will be exempt.</p>

* For other measures and details, see the NTA website www.nta.go.jp or visit a nearby Tax Office.