

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

Japan adopts a self-assessment system for most of its national taxes. Under this system, taxpayers themselves calculate their income and tax amount, based on which they file and make a payment. In order for the self-assessment system to function properly, at the NTA, we do our best to ensure taxpayers have a high level of awareness regarding tax payment and proactively and properly fulfill the obligation of tax responsibilities as provided by the law.

To this end, the NTA is working to enhance a variety of services for taxpayers while cooperating and coordinating with Certified Public Tax Accountants (CPTAs) and relevant private organizations. 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., (3) centralization of taxpayer contact points, and (4) efforts to improve taxpayer convenience in tax consultation and filing returns.

1 Providing information, etc.

~ Various public relations activities ~

The NTA provides taxpayers with easy-to-understand, useful information on tax filing and payments, etc.

More specifically, focused on the NTA website (<http://www.nta.go.jp>) (accessed 177.6 million times in FY2015), the NTA provides a variety of information on the significance and roles played by taxes and on the tax system. The information is also provided through the mass media, such as TV and newspapers, and public relations mediums such as pamphlets made available at the Tax Offices as well as municipal offices, and various explanatory meetings.

The NTA also answers to general inquiries and consultations related to taxes by telephone and other means, 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 on tax applications related to actual transactions.

(1) Information provided on the NTA website

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

To enable anyone to easily use its website, the NTA is working to enhance its guidance functions according to user aims and pays attention to convenience for the visually disabled and the elderly by providing text enlargement, voice reading functions, etc.

The NTA also has a website for cellular phones, etc. (<http://www.nta.go.jp/m>), which you can access through cellular phones or smart phones.



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Remedy for Taxpayer Rights

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Overview of NTA Website (top page)

※ The following diagram is as of May 2016.

- 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
 - Printouts of prepared tax returns can be submitted by mail
Or can be submitted through e-Tax
- 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 7 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"

※ 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.

II Enhancement of Services for Taxpayers

(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 a solid tax education in school education, so that the significance and roles of taxation that forms the country's foundations will be correctly understood.

Specifically, 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, the NTA, etc.) meets to discuss effective support measures. Furthermore, we dispatch our staff as teachers to tax education classes on the request of schools as well as organize 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> (in Japanese)) as a page for site visitors to study the significance and roles of taxation.

"Tax☆Space UENO," a facility for tax education in the Tokyo-Ueno Tax Office, holds "Tax Office Tour" and "Experiential Learning" events as well. For further information, please see the NTA website (<http://www.nta.go.jp/tokyo/shiraberu/gakushu/taiken/01.htm> (in Japanese)).



Tax☆Space UENO



Tax learning section [top page]

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

Fiscal year	2013	2014
Officials	8,159	8,403
Non-officials	21,207	23,868
Total	29,366	32,271

※ Includes the number of lecturers dispatched to universities and vocational schools.

● Number of essays entered for Tax Essay Contest

Fiscal year	2014	2015
Received from high-school students	193,393	199,401
Received from junior high-school students	615,230	616,062



Providing tax knowledge through the Tax Museum

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

For further information, please visit the National Tax College section within the NTA website (<http://www.nta.go.jp/ntc/english/>).



Tax Museum

(3) Briefings for taxpayers

~ Organizing various educational sessions to provide information ~

To help taxpayers better understand the tax procedures and tax system revisions, the NTA holds a variety of briefings, including: 1) various briefings on tax returns, 2) year-end adjustment briefings, 3) briefings on revisions to the tax laws, and 4) briefings for newly established corporations.

● Frequency of briefings and number of participants

Operation year	2013	2014
Frequency held	25,515 times	27,016 times
Number of participants	1,166 thousand people	1,179 thousand people

(4) Advance inquiries

~ Enhanced predictability for taxpayers ~

In case taxpayers have some doubts regarding the tax treatment of any transaction conducted or to be conducted, Tax Offices receive advance inquiries and provide answers. The inquiries and answers that can serve as reference for other taxpayers are disclosed as Q&As on the NTA website.

For some advance inquiries, a written answer may be provided under certain conditions, if so requested, and the NTA also discloses such inquiries and answers on the NTA website.

● Number of Advance Inquiries received by written reply procedure

Fiscal year	2014	2015
Number of Advance Inquiries Received	131	125

● Number of Q&A examples posted on website

Fiscal year	2014	2015
Number of Q&A posted	1,785	1,811

◎ Examples of answers provided in writing

- Regarding taxation in cases where creditors waive their claims in accordance with terms of conciliation prepared based on the "Guidelines for the adjustment of debt by victims of natural disasters"
- Regarding the tax treatment of living benefits received by a person other than the premium payer (policy holder)

II Enhancement of Services for Taxpayers

(5) Tax consultation

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

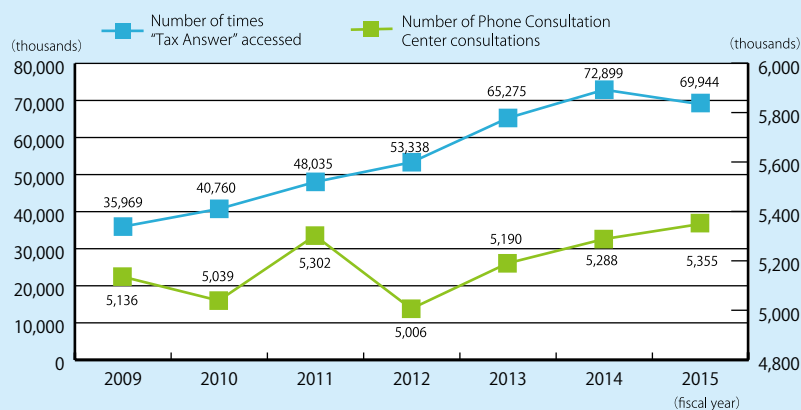
Phone Consultation Centers at Regional Taxation Bureaus provide centralized handling of general tax questions and consultations from taxpayers. Phone Consultation Centers at Regional Taxation Bureaus in Tokyo, Nagoya and Osaka also provide tax consultation in English.

Also, the NTA website provides information in its "Tax Answer" section (<http://www.nta.go.jp/taxanswer> (in Japanese)), in which general answers to frequently asked questions are posted (it also provides a mobile phone site.).



Phone Consultation Center

● Phone Consultation Center: Number of consultations and number of times "Tax Answer" was accessed



~ 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, appointments can be made in advance 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 perform procedures for filing income tax, corporation tax, consumption tax, gift tax, stamp tax and liquor tax returns, as well as submitting statutory records and applying for blue return filing, etc. via the Internet instead of submitting paper-based documents. Tax payment can be made via direct payment, the Internet, Pay-easy¹ compatible ATMs, etc.

Use of tax and accounting software compatible with e-Tax enables taxpayers and CPTAs to digitally carry out the set of work, including accounts processing and reporting, from data preparation to filing, which will reduce paperwork.

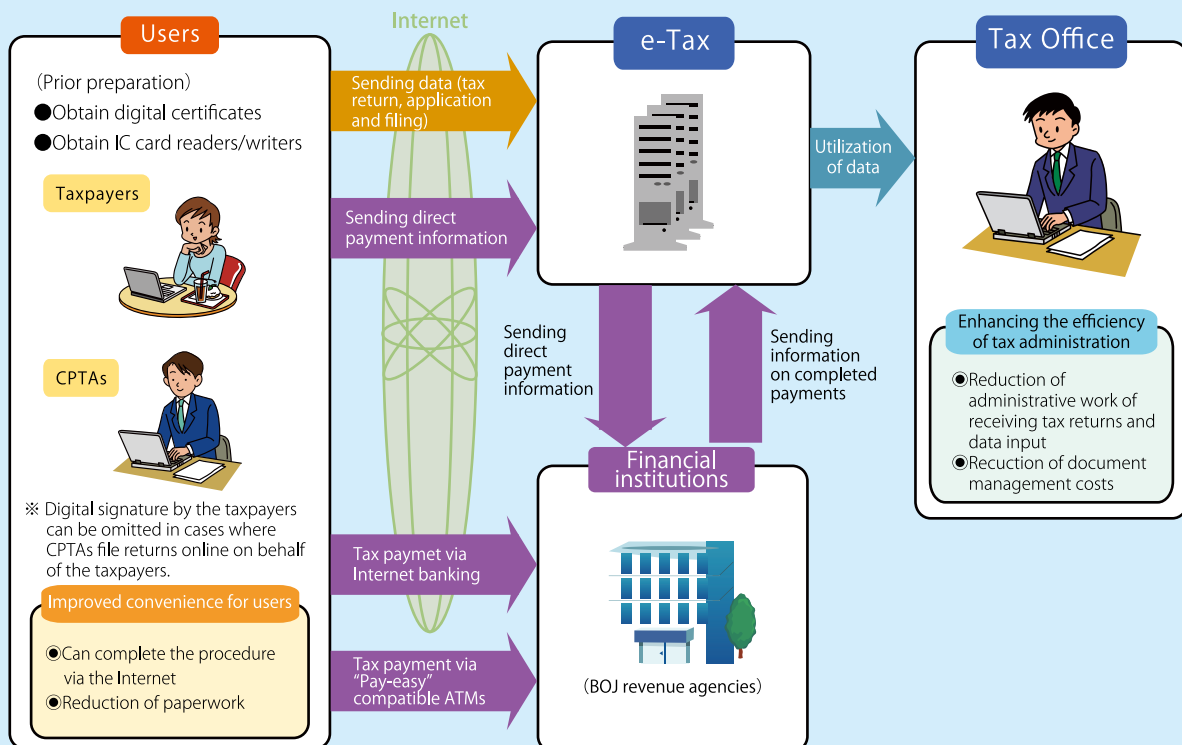
e-Tax also reduces administration work, such as receiving tax returns at the counter or by postal mail and data input, as well as reduces document management costs for tax authorities, thereby promoting the efficiency of tax administration.

In order to encourage and stabilize the use of e-Tax, the NTA has enabled the submission of attachment documents such as medical receipts by individuals to claim medical deduction to be omitted². Furthermore, we have made efforts to improve user convenience by, for example, expanding the types of procedures that can be performed on smartphones and tablets.



Mascot character for e-Tax "Mr. e-Ta"

● Outline of e-Tax



1 "Pay-easy" is a service where taxpayers can pay taxes, public utility charges and other charges through PCs, cellular phones or ATMs without queuing at the counters of financial institutions or convenience stores.

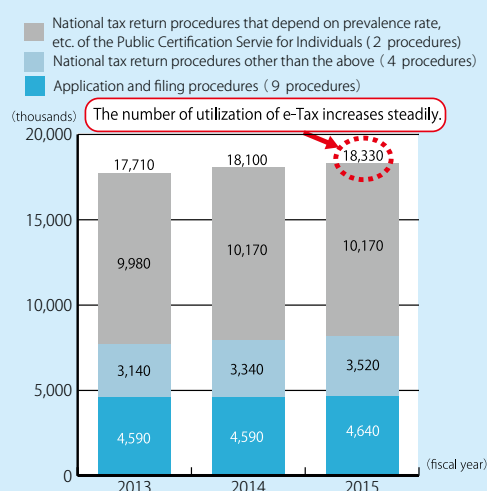
2 In case submission of attachment documents are omitted, the entries of descriptions of the attachment documents are required to be inputted and transmitted together with tax returns.

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.

II Enhancement of Services for Taxpayers

The NTA has been working to establish and spread the use of e-Tax in accordance with the “Improvement Action Plan by the Ministry of Finance” (decided by the Ministry of Finance in September 2014) based on the “Policy for the Improvement of Convenience of Online Procedures” (decided by the CIO liaison conference in April 2014), which is the government-wide policy to address the issue of online use of services in Fiscal Year 2014 and thereafter. We have also reviewed the methods for submitting attached documents and added more days for accepting data submissions to further improve user convenience (for specific details, refer to Column 1: Measures to improve e-Tax user convenience).

The number of utilizations of e-Tax



Actual results of evaluation criteria for the Improvement Action Plan by the Ministry of Finance

Evaluation criteria	Baseline (FY2013)	Actual result (FY2014)	Target (FY2016)
e-Tax user satisfaction	73.3%	74.2%	75%
User satisfaction of the “filing assistance on the NTA website.”	83.1%	83.6%	85%
Percentage of online use			
National tax return procedures that depend on prevalence rate, etc. of the Public Certification Service for Individuals (2 procedures)	51.9%	53.0%	58%
National tax return procedures other than the above (4 procedures)	66.9%	71.0%	72%
Application and filing procedures (9 procedures)	57.7%	58.4%	62%
Utilization rate of ICT	68.8%	71.8%	72%
Cost per application received online	433 yen	432 yen	Decrease from the previous year
Paperwork processing time for the national tax return procedure	918,000 hours	892,000 hours	Decrease from the previous year

1 “National tax return procedures that depend on prevalence rate, etc. of the Public Certification Service for Individuals (two procedures)” refers to procedures for filing income tax returns and consumption tax returns (individuals).

2 “National tax return procedures other than the above (4 procedures)” refers to procedures for filing corporation tax returns, consumption tax returns (corporations), liquor tax returns, and stamp tax returns.

3 “Application and notification procedures (9 procedures)” refers to these 9 procedures refers to withholding records of employment income, etc. (and totalized tables for the same) (6 procedures), payment records of interest, etc. (and totalized tables for the same), requests for issue of certificates of tax payment, and notifications of start (changes etc.) of using e-Tax.

Column 1

Measures to improve e-Tax user convenience

To promote even greater convenience when using e-Tax, the NTA is preparing to introduce the following measures:

1 Provision of a function (program) to convert data into a format compatible with e-Tax

It was previously required to separately submit in writing any data containing financial statements and detailed statements account headings for corporation tax returns prepared using accounting software that was not in a data format compatible with e-Tax. We now provide a program for converting data into a format compatible with e-Tax for accounting software developers so that the aforementioned report data stored in the accounting software can be transmitted via e-Tax. We will further promote transmission of financial statements and so on via e-Tax.

2 Submission of attached documents in the form of image data

In the past, even when filing tax returns or applications by e-Tax, taxpayers needed to submit attached documents in writing (e.g., capital relationship diagrams) required by the Corporation Tax Act and other laws. These attached documents can now be submitted in the form of image data (image files).

From January 2017, the attached documents required by the Income Tax Act (excluding submission of certain attached documents that can be omitted for income tax returns), such as balance certificates for housing loans, can be submitted in the form of image data via e-Tax.

3 Adding more days for accepting data submissions

We have added more days for accepting data submissions by e-Tax. Submissions are accepted on the final Saturdays and Sundays in May, August, and November when more tax returns for corporations are submitted (if the last day of a month is a Saturday, we accept data submissions on the first Sunday of the following month instead of the last Sunday of said month).

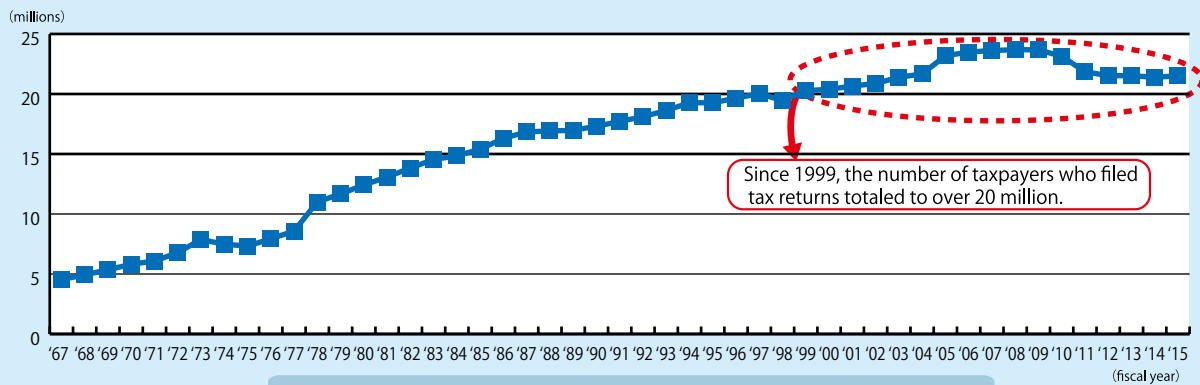


3 Filing for tax return

~ The number of taxpayers who filed tax returns totaled 21.51 million. More than half filed for tax refunds ~

Tax filing is a procedure, in which the taxpayer calculates income and tax amount for a one year period, and files and pays taxes. Not only persons obligated to file, but also those who obtain tax refunds file tax returns, for example, because they paid large medical bills. 21.51 million people filed their income taxes and special income taxes for reconstruction for 2015; thus, one out of six residents filed tax returns. Of these, over 12.47 million people filed for refunds, comprising over half of the people filing tax returns.

● Trend of individual tax return filers



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

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

The NTA promotes filings using ICT, such as filing assistance on the NTA website and e-Tax.

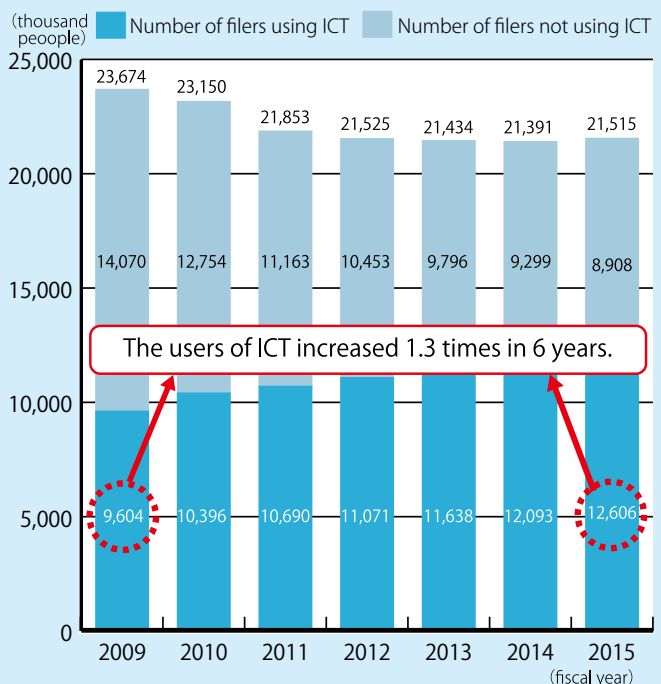
Tax returns and other documents prepared using the filing assistance on the NTA website can be transmitted via e-Tax with a My Number Card digital certificate. Using this system, taxpayers can conveniently file tax returns via the internet from home or other locations without visiting the Tax Office.

Taxpayers can also choose to submit in writing by post or other means.

Note: Conventional digital certificates stored on a Basic Resident Registration Card can continue to be used in e-Tax until the person's My Number Card is issued as long as the digital certificate remains within its term of validity.

Also, taxpayers visiting consultation sites of Tax Offices can use the PCs for filing assistance on the NTA website to prepare tax returns and to transmit them using e-Tax, experiencing the convenience of filing using ICT.

● Filers who used ICT to file an income tax return



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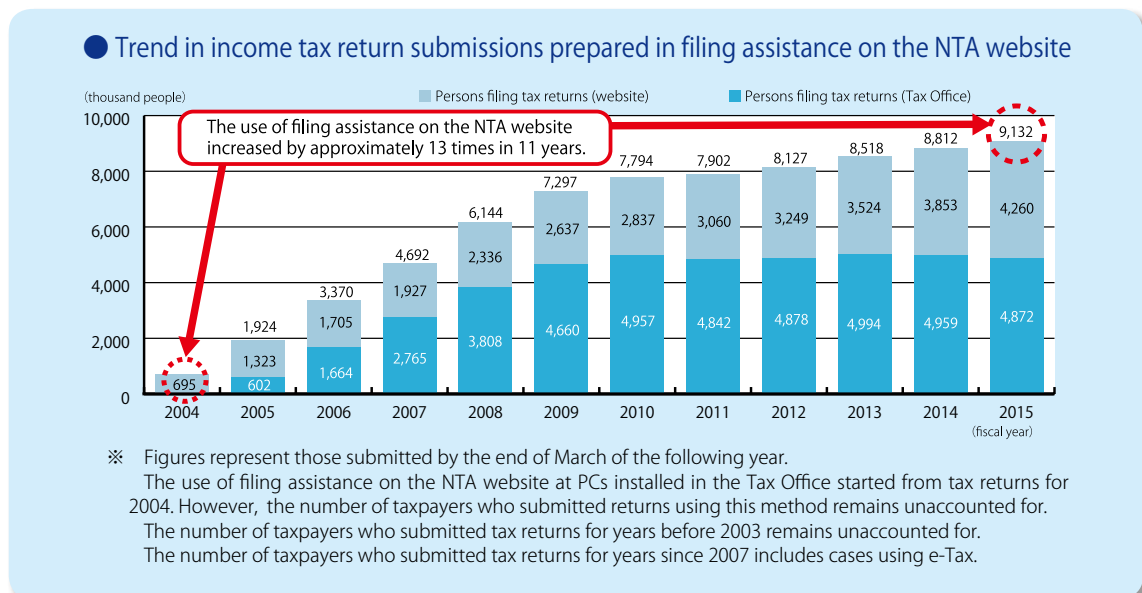
~ The number of users of “filing assistance on the NTA website” is increasing each year ~

With the filing assistance on the NTA website, if a taxpayer enters the amounts and other necessary information according to the 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 and special income tax for reconstruction, consumption tax and local consumption tax for private business operators, and gift tax, as well as financial statements for blue returns.

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

In the filing period for 2015, the number of people who submitted tax returns for income tax and special income tax for reconstruction prepared with filing assistance on the NTA website reached 9.13 million cases including those prepared via PCs set up at consultation sites. This comprised about 42% of all people who submitted returns. About 54% 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.



(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 Offices and at joint meeting sites outside the Tax Offices.

For the 2015 tax return filing period, the offices were open on February 21 and February 28, 2016, during which 290,000 tax returns for income tax and special income tax for reconstruction were filed.

Cooperation with the local tax authorities

In an effort to simplify taxpayer filing procedures, the NTA is working on achieving close cooperation between 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, income tax filing data and other data are mutually provided between national government and 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 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 Cooperation with private organizations

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

The NTA is implementing measures to convey information on taxes to taxpayers through various explanatory meetings held by relevant private organizations. 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 promoting measures for the wider use and establishment of e-Tax, by dissemination and publicity work to smoothly establish and implement the Social Security and Tax Number System ("My Number System"), and by holding various joint events in "Think About Tax Week."

Blue return taxpayers' associations

Blue return taxpayers' associations are organized for the purpose of "contributing to establishing the self-assessment system and promoting small enterprises," mainly by sole proprietors who use the blue return system. They are formed mainly by sole business proprietors who use the system. There are about 3,100 associations nationwide, and the total number of members is about 810,000 (as of April 2016). 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 visit the website of the National General Federation of Blue Return Taxpayers' Associations at <http://www.zenairobr.jp> (in Japanese), or contact the nearest blue return taxpayers' association.

Corporations associations

Corporations associations are organized for the purpose of "contributing to spreading knowledge of tax, maintaining and developing a proper and fair self-assessment system, as well as achieving smooth tax administration." There are 482 corporations associations as incorporated associations, and membership stands at about 800,000 corporations (as of June 2015). Corporations associations organize tax education, tax awareness campaign, seminars on tax and management, etc. With the NTA's support, corporations associations hold "contests for the best picture postcards related to taxes" and promote "enhancement of corporations' tax compliance." For further details, please visit the website of the National General Federation of Corporations Associations at <http://www.zenkokuhojinkai.or.jp> (in Japanese)

Indirect tax associations

Indirect tax associations are organized for the purpose of "cooperating in achieving smooth tax administration through acquiring knowledge about indirect taxes and establishing a voluntary self-assessment system." There are 518 associations nationwide with about 90,000 members (as of April 2015). 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 <http://www.kanzeikai.jp> (in Japanese)

Savings-for-tax associations

Savings-for-tax associations are organized for the purpose of “smooth payment of various taxes by means of saving funds for tax payment.” The associations are established pursuant to the Tax Fund Saving Partnership Act, and there are now about 27,100 associations (as of March 2015). 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 (co-hosted by Savings-for-tax associations and the NTA). For further details, please visit the website of the National Federation of Savings-for-Tax Associations at <http://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 “spreading knowledge about taxes, promoting proper filing of returns, uplifting tax payment morality, and thereby contributing to the development of enterprises and regional societies.” There are 83 tax payment associations, and about 160,000 members belong to these associations (as of March 2016). 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 <http://www.nouzeikyokai.or.jp>

Column 2

Response to the Great East Japan Earthquake (As of end of March, 2016)

1 Response to affected taxpayers and other parties

To assist taxpayers who have suffered from the Great East Japan Earthquake, the NTA has developed a system for providing appropriate consultations to taxpayers who are taking refuge in various areas throughout Japan at their nearest Tax Offices. The NTA continuously endeavors to disseminate systems, answer inquiries from taxpayers, and so on as well as provide consultations while giving adequate consideration to taxpayers' and other parties' circumstances and emotions.

2 Recovery support for liquor industry

In order to ensure safety of liquors against radiation and maintain the environment for export etc., the NTA continued conducting radioactive examinations in FY2015 on liquors and brewing water (1,608 cases) in cooperation with National Research Institute of Brewing. Regarding the import restrictions introduced after the Great East Japan Earthquake, the NTA issued necessary certificates on liquors in accordance with the requirement by the countries of export destination. (The NTA issued 6,438 certificates of place of manufacturing, and 710 certificates on radioactivity examinations.)

The NTA will actively support the recovery of liquor industry through the measures mentioned above.

<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 (As of April 1, 2016):

Income tax

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.

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).

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.

Besides, for a certain amount of net loss that was caused for inventory assets and business use assets etc., the period of carry-forward deduction concerning the net loss amount was changed to 5 years (the Income Tax Act: 3 years).



Income tax	<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.</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>
Gift tax	Under certain conditions, a gift is exempt from taxes up to the maximum amount of exemption in the following cases: ① a person who lived or intended to live in a house that was destroyed or damaged beyond repair by the Great East Japan Earthquake receives a gift as funds for acquiring a house from a lineal ascendant, including parents and grandparents, between January 1, 2015 and June 30, 2019 or ② a person who lived in a house located in a designated evacuation zone, etc. as of the date the evacuation zone was designated as such receives a gift as funds for acquiring a house from a lineal ascendant, including parents and grandparents, between the date the evacuation zone was designated as such and the date one year after the designation as an evacuation zone is lifted.
Corporation tax	For corporations designated by an approved local government during the period December 26, 2011 through March 31, 2021, which were newly established in the industrial park zone for reconstruction, the following special measures defer the taxation of corporation tax in each business year from the designated date to the date 5 years after from the designated date: ① Tax deduction of reserves for re-investment allowed with the upper limit of income amount. ② Special depreciation is allowed with upper limit of reserve balance in the fiscal year when the corporation invests in equipment or buildings in the industrial park zone for reconstruction again.
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, 2019, 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>
Liquor tax	In cases where a liquor manufacturer whose manufacturing factory was seriously damaged by the Great East Japan Earthquake ships some specific type of liquors during a period from April 1, 2011 to March 31, 2018, if the taxable volume of the previous year was 1,300 kl or lower, the liquor tax on up to 200 kl of the taxable volume of the year is reduced.

※ For other measures and details, see the NTA website <http://www.nta.go.jp> (in Japanese) or visit a nearby Tax Office.

Column 3

Response to the 2016 Kumamoto Earthquake (as of the End of April 2016)

1 Extension of filling and payment deadlines for national taxes

On April 21, 2016, the NTA announced an extension of filling and payment deadlines for national taxes in Kumamoto prefecture (area designation) (notification dated April 22, 2016).

Upon designating the aforementioned area, we also announced a suspension and postponement of payment of the consumption tax scheduled for April 25, 2016 to be transferred from bank accounts of taxpayers who had the place of tax payment in Kumamoto prefecture for final returns filed for the 2015 period.

The extension of deadline can be granted on an individual basis (individual designation) for taxpayers having difficulty due to this earthquake in filing or paying taxes by the deadline in areas other than Kumamoto prefecture. We will disseminate and publicize information on the individual designation as well as appropriately hold consultations with taxpayers.

2 Dissemination of tax measures for disasters

After the earthquake, the NTA immediately disseminated and publicized measures (procedures) on tax related treatment for disaster victims and for donations through the NTA website, Twitter, and other means.

(Reference) Cooperation with disaster stricken areas

The Kumamoto Training Institute of the National Tax College accepted evacuees (up to 220) and made distributions from its stockpile of disaster goods.

In addition, the Kumamoto Regional Taxation Bureau dispatched officials to affected municipalities in Kumamoto prefecture to deliver relief supplies to evacuation sites and to issue disaster victim certificates.

Actions taken for the amended Consumption Tax Act

1 Provision of information and consultation

The NTA is taking measures for providing information and consultation on the content of revision in close contact and cooperation with relevant ministries and private organizations so that business operators can make their filings and payments with full understanding of the amended consumption tax system.

- Post a leaflet about the revision to the NTA website and also keep it at Tax Offices.
- Provide consultations on the revised Consumption Tax Act, etc. at the "revised consumption tax system consultation desk" at each Tax Office.

2 Measures for smooth and appropriate shifting of consumption taxes

With the aim of ensuring the smooth and appropriate shifting of consumption taxes, the Act on Special Measures for Shifting Consumption Taxes (hereinafter referred to as the "Special Measures Act") prohibits to refuse shifting consumption taxes or to make indication that inhibits the shifting of consumption taxes. The Act also provides exceptions for the obligation to indicate the total price with tax.

Thus, the NTA endeavors to secure smooth and appropriate shifting of consumption taxes through the following measures:

- Publication of the detailed examples of misrecognition prevention measures, which are required for the application of exceptions for the obligation to indicate the total price with tax
- Appropriately provision of consultation on the revised Consumption Tax Act, on price indication (exceptions from the obligation to indicate the total price with tax), as well as on the shifting of consumption taxes at the "revised consumption tax system consultation desk" at Tax Offices
- As the government agency with jurisdiction over the liquor industry, provides liquor business operators with the necessary guidance and advice to prevent and correct any acts that violate the provisions of the Act on Special Measures for Shifting Consumption Taxes, and if any liquor business operator performs an act that refuses the shifting of consumption taxes or makes an indication that consumption taxes are not shifted, the NTA conducts an on-site inspection.



Column 5

Actions taken for the amended Inheritance Tax Act

1 Outline of revision

As a part of the FY2013 tax reform, the Inheritance Tax Act was amended covering the inheritance tax on properties to be acquired by inheritance, testamentary gift, or gifts under the taxation system for settlement at the time of inheritance on or after January 1, 2015. The amendment includes such items as a reduction of the basic deductions.

(Reduction of the basic deductions for the inheritance tax)

[Before the Amendment]
¥50 million + (¥10 million × the number of legal heirs)



[After the Amendment]
¥30 million + (¥6 million × the number of legal heirs)

2 Key Actions

(1) Enhancement of the NTA website

In order for taxpayers to fully understand the amendment details, the inheritance tax system, and so on, the NTA set up on its website a special section, "Inheritance Tax and Gift Tax," which integrates relevant information on inheritance tax, etc.

More specifically, we are posting a pamphlet for informing site visitors about items amended by this tax reform including and "Outline of Inheritance Tax" that explains the system of the inheritance tax in an easy-to-understand manner. In addition, the website has a section open to the public, "Tool for Judging If You Need to File Your Inheritance Tax Return" to help taxpayers to judge for themselves whether the value of their inherited properties exceeds the basic deduction amount.

【Inheritance Tax and Gift Tax】 (<http://www.nta.go.jp/sozoku-tokushu/index.htm>) (in Japanese)



① Outline of the Inheritance Tax

This section clearly explains the inheritance tax system.

② Tool for Judging If You Need to File Your Inheritance Tax Return

Refer to the figure below, "Tool for Judging If You Need to File Your Inheritance Tax Return."

③ Examples of filling out the inheritance tax declaration while applying various exceptions

This section contains clear instructions for completing the inheritance tax declaration in the case of applying "exemptions for small-scale building land" and "reduction of spouse's tax amount," which are commonly applied.

④ Easy-to-make mistakes when preparing an inheritance tax declaration

Easy-to-make mistakes when preparing an inheritance tax declaration are illustrated in case format.

【Tool for Judging If You Need to File Your Inheritance Tax Return】

(<https://www.keisan.nta.go.jp/sozoku/yohihantei/top>) (in Japanese)



In the section "Tool for Judging If You Need to File Your Inheritance Tax Return," users input figures such as the number of legal heirs and the amount of individual properties and debts. The system then automatically calculates the amount of the applicable basic deduction, etc. The output can be used to reasonably judge if the user needs to file an inheritance tax return.

Users can also simulate tax amount calculation when applying "exemptions for small-scale building land (specified residential land, etc.)" and "reduction of spouse's tax amount," which are commonly applied.

(2) Improving the consultation system

Taxpayers who want an individual consultation by interview at a Tax Office about specific calculation methods for filing, etc. can receive consultation services by making a prior appointment by phone for more effective and efficient operations.

General consultations are handled in a centralized manner at Phone Consultation Centers.

About the NTA

Enhancement of Services for Taxpayers

Proper and Fair Taxation and Collection

Remedy for Taxpayer Rights

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