

Tax Revenue and Expenditure page 47

Number of Tax Return etc. page 48

Tax Examinations page 49

Criminal Investigations page 49

Reduction of Tax Delinquency page 50

Reinvestigation, Reconsideration and Litigation page 50

Tax Consultations page 51

International Taxation page 51

Taxpayer Satisfaction page 51

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

Tax Revenue and Expenditure

Budget and Actual Amounts of Tax and Stamp Revenues for Fiscal 2006

	Item	Budget	Actual
General Account	Withholding income tax	Million yen 11,881,000	Million yen 11,494,252
	Self-assessed individual income tax	2,689,000	2,559,842
	Corporation tax	15,809,000	14,917,877
	Inheritance tax	1,490,000	1,518,585
	Consumption tax	10,485,000	10,463,331
	Liquor tax	1,572,000	1,547,297
	Tobacco tax	940,000	927,169
	Gasoline tax	2,156,000	2,117,375
	Liquefied petroleum gas tax	14,000	13,973
	Aviation fuel tax	87,000	90,493
	Petroleum and coal tax	476,000	511,726
	Motor vehicle tonnage tax	737,000	734,953
	Customs duty	906,000	944,021
	Tonnage due	9,000	9,306
	Others*	—	728
	Stamp revenue	1,217,000	1,218,125
	Subtotal	50,468,000	49,069,052
	Income tax (transferred)	3,009,400	3,009,400
	Local road tax	309,800	305,652
	Liquefied petroleum gas tax (transferred)	14,000	13,973
	Aviation fuel tax (transferred)	15,800	16,453
	Motor vehicle tonnage tax (transferred)	368,500	367,476
	Special tonnage due	11,300	11,632
	Crude oil customs duty, etc.	500	3,314
	Power resources development promotion tax	354,000	362,963
	Gasoline tax	739,300	739,300
	Special tobacco tax	223,700	217,639
	Total	55,514,300	54,116,856

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

NTA Budget for Fiscal 2008

	Item	Budget
General Expenditures	IT-related Expenses	Million yen 48,150
	Expenses to improve convenience for taxpayers*1	12,554
	Expenses related to internationalization measures	908
	Expenses to improve work environment**2	7,670
	Expenses related to tax reforms	2,068
	Expenses for various taxation forms and communication expenses	15,758
	General operating expenses**3	47,056
	Expenses for National Tax College	2,794
	Expenses for National Tax Tribunal	441
	Expenses for National Research Institute of Brewing	1,171
Subtotal	138,569	
Personnel expenses	584,104	
Total NTA budget	722,673	

Notes: *1 "Expenses to improve convenience for taxpayers" include expenses related to the development of e-Tax, the preparation software, and so forth.

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

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

Number of Tax Return etc.

Income Taxpayers

(2007 calendar year)

		Thousand persons
Total population		127,770
Workforce		63,820
Number of final returns for income tax*		23,620
Refund*		12,690
Tax payment*		7,770
Details by income earner category	Business income earners	1,800
	Other income earners	5,970
	Real-estate income earners	1,090
	Employment income earners	2,640
	Miscellaneous income earners	1,910
	Others	330

Notes: "Total population" and "workforce" represent the figure as of fiscal 2006.

Inheritance Tax

(2006 calendar year)

Number of deceased persons	1,084,450
Number of deceased persons subject to taxation	45,322
Number of heirs subject to taxation	134,722
Taxable amount	10,405,600 Million yen
Amount of tax	1,223,400 Million yen

Gift Tax

(2006 calendar year)

Number of persons subject to taxation	369,763
Value of property acquired	2,028,800 Million yen
Amount of tax	118,300 Million yen

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

Withholding Agents and Withholding Income Taxation

(2006 business year)

Income Classification, etc.	Number of Withholding Agents*	Amount of Tax
	Thousands	Million yen
Employment income (wages and salaries)	3,846	10,782,700
Retirement income	—	273,000
Interest income, etc.	40	521,400
Dividend income	126	2,580,300
Capital gains etc. from selling listed shares managed in special accounts	7	224,700
Income from remuneration, etc.	3,070	1,285,700
Income paid to non-residents and foreign corporations	25	362,200
Total	—	16,029,900

Notes: The number of withholding agents represents the figure as of the end of June 2007.

Number of Corporations and Number of Corporation Tax Returns Filed

(2006 business year)

Number of corporations*	3,005 Thousands
Number of tax returns filed	2,787 Thousands
Percentage of corporations filing	89.9%
Percentage of returns declaring a surplus	32.4%
Amount of self-assessed income	57,082,800 Million yen
Amount of self-assessed loss	16,494,900 Million yen
Amount of tax	14,457,800 Million yen

Notes: The number of corporations represents the figures as of the end of June 2007.

Consumption Tax

(2006 fiscal year)

Number of Returns	Tax Payment		Tax Refund	
	Thousand cases		Thousand cases	
	Individual	1,533	36	
Corporation	1,984	116		
Total	3,516	152		
Amount of tax		10,004,100 Million yen	2,483,800 Million yen	

Liquor Tax and Liquor Production

(2006 fiscal year)

Classification	Volume of production	Amount of Tax
	Thousand kl	Million yen
Sake	513	80,304
Sake compound	49	5,420
Continuous distillation Japanese spirits (shochu)	436	99,042
Simple system distillation Japanese spirits (shochu)	584	131,106
Mirin (rice cooking wine)	113	2,249
Beer	3,536	768,826
Fruit wine	65	6,163
Sweet fruit wine	10	833
Whisky	61	23,253
Brandy	7	2,633
Sparkling liquor	1,594	211,687
Alcohol and spirits for material	114	9,364
Liqueurs	755	67,003
Other brewed liquors Powder liquor and miscellaneous liquor	1,056	83,076
Total	8,892	1,490,960

Tax Examinations

Examinations for Self-assessed Income Tax

(2006 business year)

	Number of Cases	Total Understated Income		Total Additional Tax Revenue Collected	
		Million yen	Thousand yen	Million yen	Thousand yen
Field examinations	Thousands				
Special,* ¹ General	63	533,700	8,460	99,500	1,580
Focusing* ²	183	328,100	1,800	15,300	80
Brief contact* ³	549	54,800	100	9,500	20
Total	795	916,600	1,150	124,300	160

Notes: *1. "Special, General" refers to the focused examination for the malicious taxpayer.
*2. "Focusing" refers to the short-term examination to grasp the understated income.
*3. "Brief contact" refers to the correction of tax return errors by speaking with the taxpayer by telephone or by asking the taxpayer to visit the tax office.

Examinations for Withholding Income Tax

(2006 business year)

Number of Cases Examined	Of Which, Number of Illegal Cases	Total Additional Tax Revenue Collected
Thousands 202	Thousands 56	Million yen 63,500

Field Examinations for Corporation Tax

(2006 business year)

	Number of Cases	Total Understated Income		Total Additional Tax Revenue Collected
		Million yen	Thousand yen	Million yen
All corporations	Thousands 147	Million yen 1,724,700	Thousand yen 11,762	Million yen 440,200
Of which, corporations handled by the Large Enterprise Examination Department	5	900,400	190,917	236,500

Examinations for Consumption Tax

(2006 business year)

	Number of Cases	Number of Cases with Understated Income	Total Additional Tax Revenue Collected	
			Million yen	Thousand yen
Individuals	Thousands 96	Thousands 69	Million yen 25,600	Thousand yen 270
Corporations	139	77	72,200	520

Field Examinations for Inheritance Tax

(2006 business year)

Number of Cases	Number of Cases with Understated Income	Total Understated Inheritance		Total Additional Tax Revenue Collected	
		Million yen	Thousand yen	Million yen	Thousand yen
Thousands 14	Thousands 12	Million yen 407,600	Thousand yen 28,990	Million yen 93,900	Thousand yen 6,680

Information Returns Collected

(2006 business year)

Name of Information under Mandatory Submission	Number of Returns Collected
Withholding record of employment income	Thousands 19,819
Payment record of interest and others	1,200
Payment record of dividend, distribution of surplus and interest on guaranty capital	5,580
Withholding record of public pension, etc.	32,715
Payment record of remunerations, fees, contract payments, and prizes	8,859
Payment record of consideration for transfer of stocks, etc.	9,148
Record of remittance to foreign countries	3,688
Others	44,196
Total	125,205

Criminal Investigations

Criminal Investigations

(2007 fiscal year)

Number of Cases Conducted	Number of Cases Closed	Number of Cases Prosecuted	Total Tax Evasion		Total Tax Evasion (in Prosecuted Cases)	
			Million yen	Million yen	Million yen	Million yen
220	218	158	35,300	162	30,900	195

Large-Scale Cases

(2007 fiscal year)

Number of Cases Prosecuted	Of Which, Number of Cases Prosecuted with a Tax Evasion Amount of 300 Million Yen or More	Of Which, Number of Cases Prosecuted with a Tax Evasion Amount of 500 Million Yen or More
158	20	7

Prosecuted Cases by Tax Item

(2007 fiscal year)

Tax Item	Number of Cases	Total Tax Evasion	
		Million yen	Million yen
Income tax	57	9,300	163
Corporation tax	62	8,100	131
Inheritance tax	4	8,200	205
Consumption tax	30	4,400	147
Withholding income tax	5	900	18
Total	158	30,900	196

Reduction of Tax Delinquency

Tax Delinquency Cases of 100 Million Yen or More by Industry

(as of the end of the 2007 fiscal year)

Industry	Number of Persons		Amount of Tax	
		%	Million yen	%
Manufacturing industry	55	4.1	11,336	3.1
Distribution industry	85	6.4	35,802	9.7
Real-estate and construction industry	376	28.2	92,026	24.8
Food and beverage industry	84	6.3	15,494	4.2
Financial industry	23	1.7	12,764	3.4
Other industries*1	347	26.1	92,474	24.9
Others*2	362	27.2	111,037	29.9
Total	1,332	100.0	370,933	100.0

Notes: *1 "Other industries" includes hospitals (doctors), the service industry, and the leisure industry.
*2 "Others" includes salaried workers and pension recipients.

Seizure of Property

(2006 business year)

	Number of Delinquent Taxpayers	Number of Objects Seized	Appraisal Value
			Million yen
Movable property	552	21,587	3,315
Claims	54,859	70,750	79,797
Immovable property, etc.	10,116	31,845	168,535
Others	3,820	431,820	4,517
Total	69,347	556,002	256,164

Reinvestigation, Reconsideration and Litigation

Requests for Reinvestigation

Classification	Number of Requests for Reinvestigation	Number of New Requests for Reinvestigation (1)	Number of Cases Processed (2)	Number of Requests Approved (3)	Percentage [(3)/(2)]
					%
Taxation	4,781	3,729	3,414	408	12.0
Tax collection	697	572	613	3	0.5
Total	5,478	4,301	4,027	411	10.2

Requests for Reconsideration

Classification	Number of Requests for Reconsideration	Number of New Requests for Reconsideration (1)	Number of Cases Processed (2)	Number of Requests Approved (3)	Percentage [(3)/(2)]
					%
Taxation	4,117	2,003	2,561	353	13.8
Tax collection	622	501	384	8	2.1
Total	4,739	2,504	2,945	361	12.3

Requests for Litigation

Classification	Number of Litigation Cases	Number of the First Instance Newly Filed (1)	Number of Cases Closed (2)	Number of Lost in Litigation and Partial Defeat Cases (3)	Percentage [(3)/(2)]
					%
Taxation	704	172	371	73	19.7
Tax collection	139	59	75	7	9.3
Total	844	231	447	80	17.9

Notes: The "Number of Requests for Reinvestigation" and the "Number of Requests for Reconsideration" are the figures for the 2006 fiscal year.
The "Number of Litigation Cases" is the total number of litigation cases for each level of trial for the 2006 fiscal year.
The "Total" Number of Litigation Cases" includes the cases for the National Tax Tribunal.

Tax Consultations

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

(2007 fiscal year)

Number of Tax Consultations	Thousand cases	
	Income tax	1,982
	Corporation tax	237
	Property tax	641
	Consumption tax	94
	Other indirect taxes	90
	Tax collection	144
	Others	458
	Subtotal	3,646
Tax Answer System	33,503	
Total	37,149	

Number of Complaints Received at Tax Counsel Offices

(2007 fiscal year)

Income tax	748
Corporation tax	415
Property tax	83
Consumption tax	41
Other indirect taxes	25
Tax collection	47
Others	335
Total	1,694

International Taxation

Fraudulent Income through Overseas Transactions

(2006 business year)

Number of cases of fraudulent overseas income	105 cases
Amount of fraudulent overseas income	22,200 Million yen

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

Transfer Pricing Taxation

(2006 business year)

Number of cases closed	101 cases
Amount of taxable income	105,100 Million yen

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

The Five Most Frequent Tax Consultation Topics

[In-Person and Telephone Consultations]

(2007 fiscal year)

Ranking	Tax Item	Topic	Thousand cases
1	Income tax	Obligation to file returns and filing procedures, etc.	345
2	Income tax	Medical expenses deduction	200
3	Income tax	Preparation of tax returns, statements of accounts, and other forms	195
4	Income tax	Year-end adjustment	178
5	Income tax	(Special) exemption for spouse, and exemption for dependents	118

[Tax Answer System]

(2007 fiscal year)

Ranking	Tax Item	Topic	Thousand cases
1	Income tax	Cases in which funds are spent on medical expenses (medical expenses deduction)	965
2	Income tax	Tax rate of income tax	729
3	Income tax	Medical expenses subject to medical expenses deductions	550
4	Income tax	Exemption for spouse	483
5	Income tax	Acquisition of a dwelling and special measures for income tax (special credit for loans relating to a dwelling, etc. and special credit for home improvement loans relating to the specified purposes, etc.)	431

Taxpayer Satisfaction

(2006 business year)

Item	High Satisfaction Rate	
	%	
Attitude of officials in providing services	80.0	
Convenience in using the tax office	61.8	
PR activities	71.6	
Activities to collect public opinions	83.7	
Consultations at tax counsel offices	In-person	91.1
	Telephone	72.9

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