

## ~ 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 214.7 million times in FY2016), 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.

### “Think About Tax Week”

The NTA has been regularly taking measures for the improvement in the awareness regarding tax payment to assist citizens to deeply understand the significance and functions of taxes and the current state of tax administration, and to proactively and properly fulfill the obligation of tax responsibilities.

The week from November 11 to 17 is annually set in particular as the “Think About Tax Week.” The NTA conducts various PR activities mainly during this period and also considers this period as an opportunity to receive opinions and requests for tax administration.

The NTA attempts to improve awareness regarding tax payment by assisting citizens to understand the relationship between the lives of the people and taxes through this effort.

## (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.

# Overview of NTA Website (top page)

\* The following diagram is as of May 2017.

- 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 and 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 office**
  - Specific explanations of tax procedures, how to prepare tax returns, how to use e-Tax, 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 reading**
  - Support functions for the elderly and those who have visual disorders
- 10 **Efforts taken by the NTA**
  - 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 submits information including new information regarding the NTA and a press release through the official NTA Twitter account (@NTA\_Japan) other than the NTA website. The free video sharing site "YouTube" also delivers videos with information on the NTA activities (including the publicity activities of each Regional Taxation Bureau and Tax Office) and support for self-assessment procedures.

About the NTA  
 Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration  
 Proper and Fair Taxation and Collection  
 Remedy for Taxpayer Rights  
 Proper Management of Liquor Administration  
 Proper Administration of Services by Certified Public Tax Accountants (CPTAs)  
 Evaluation of Policies  
 Statistics

# II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

## (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 Certified Public Tax Accountants' Associations and 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)

\*The diagram above is as of May 2017.

### ■ Number of lecturers dispatched to Tax Education Class, etc.

Fiscal year	2015	2016
Officials	8,313	8,428
Non-officials	26,137	28,954
Total	34,450	37,382

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

### ■ Number of essays entered for Tax Essay Contest

Fiscal year	2015	2016
Received from high-school students	199,401	210,468
Received from junior high-school students	616,062	629,534

## 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 such as primary school children and other people as well as specialists on tax history.

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



Tax Museum

About the NTA

Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

Proper and Fair Taxation and Collection

Remedy for Taxpayer Rights

Proper Management of Liquor Administration

Proper Administration of Services by Certified Public Tax Accountants (CPTAs)

Evaluation of Policies

Statistics

### (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	2014	2015
Frequency held	27,016 times	26,671 times
Number of participants	1,179 thousand people	1,180 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	2015	2016
Number of Advance Inquiries Received	126	132

#### ■ Number of Q&A examples posted on website

Fiscal year	2015	2016
Number of Q&A posted	1,811	1,821

#### ◎ Examples of answers provided in writing

- Regarding the tax treatment of “reasonable gains” in the case of implementing a system whereby the rights of obtaining patents for inventions made by employees originally belong to employers
- Regarding stamp tax for deposit receipts issued when a fee-charging home for the aged receives a lump-sum payment from a resident



# II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

## (5) Tax consultation

### ~ General tax consultations are handled at centralized Phone Consultation Centers ~

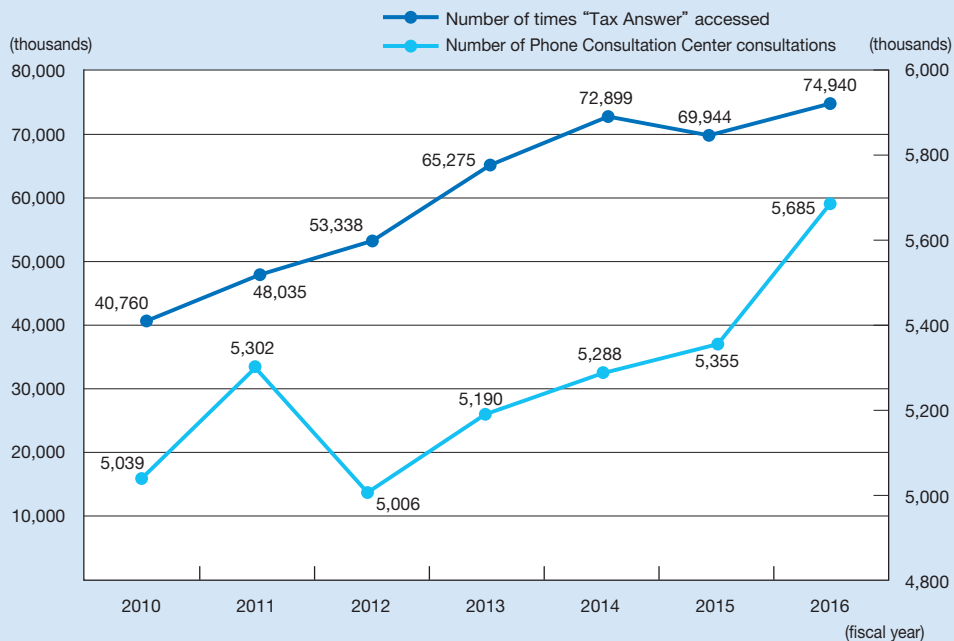
Phone Consultation Centers at Regional Taxation Bureaus provide centralized handling of general tax questions and consultations from taxpayers. Phone Consultation Centers at Regional Taxation Bureaus in Tokyo, Nagoya and Osaka also provide tax consultation in English.

Also, the NTA website provides information in its “Tax Answer” section (<https://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 ~

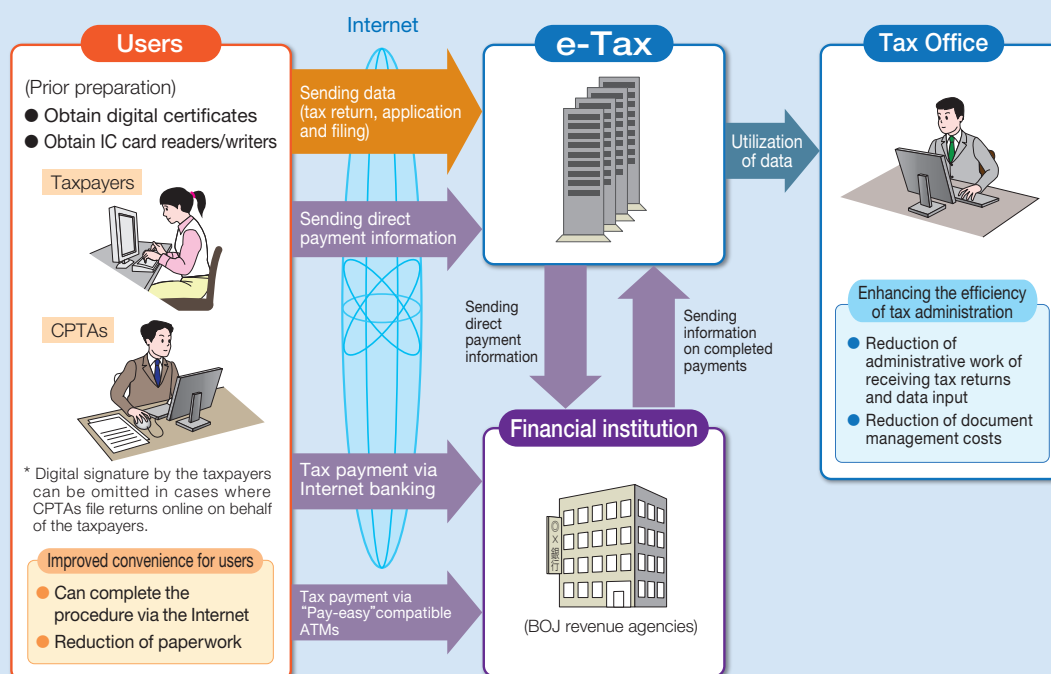
e-Tax enables users to perform procedures for filing income tax, corporation tax, consumption tax, gift tax, stamp tax and liquor tax returns, as well as submitting statutory records and applying for blue return filing, etc. via the Internet instead of submitting paper-based documents. Tax payment can be made via direct payment, the Internet, Pay-easy\*<sup>1</sup> 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.

To this end, 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. Up to this time, the NTA has enabled the submission of attached documents such as medical receipts by individuals to claim medical deductions to be omitted\*<sup>2</sup>. Furthermore, we have been making efforts to improve user convenience, such as accepting the submission of a certificate of condemnation and other attached documents in the form of image data, and introducing the coordination of authentication between Mynportal and e-Tax\*<sup>3</sup>.

### ■ Outline of e-Tax



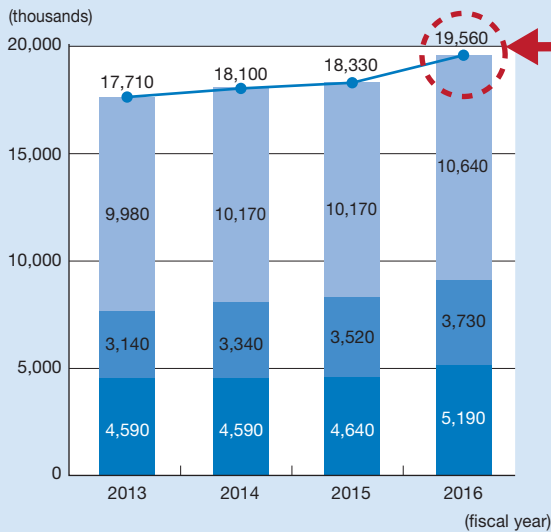
1 "Pay-easy" is a service where taxpayers can pay taxes, public utility charges and other charges through PCs, smartphones/cellular phones or ATMs without queuing at the counters of financial institutions or convenience stores.

2 In case submission of attachment documents is 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.

3 "Mynportal" is a portal site that provides My Number-related administrative services such as a one-stop service of an administrative procedure concerning parenting and a service of sending notifications from an administrative office. Due to the introduction of the authentication coordination between Mynportal and e-Tax, the following services are available without inputting an ID and a password for e-Tax once a user logs into Mynportal: access to message boxes, procedures concerning certificates of tax payment, procedures concerning withholding taxes, and procedures concerning statutory statements.

# II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

## The number of utilizations of e-Tax



The number of utilization of e-Tax increases steadily.

- National tax return procedures that depend on prevalence rate, etc. of the Public Certification Service for Individuals (2 procedures)
- National tax return procedures other than the above (4 procedures)
- Application and filing procedures (9 procedures)

\*1 "National tax return procedures that depend on prevalence rate, etc. of the Public Certification Service for Individuals (2 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 filling procedures (9 procedures)" refers to these 9 procedures refers to withholding records of employment income, etc. (and totaled tables for the same) (6 procedures), payment records of interest, etc. (and totaled tables for the same), requests for issue of certificates of tax payment, and notifications of start (changes etc.) of using e-Tax.

## Column 2 The NTA has been preparing for the simplification of the use of e-Tax

The NTA has been proceeding with a system modification to simplify the use of e-Tax by individual taxpayers, for example, by utilizing digital certificates installed in My Number Cards as a standard and the function of authentication coordination of Mynportal. The following functions will be available in **January 2019**.

### The use of e-Tax with My Number Card (My Number Card method)

By logging into e-Tax through Mynportal or from the e-Tax website with My Number Cards, taxpayers can start using e-Tax, and prepare/submit tax returns and other data with simple settings.

- ▶ To use e-Tax, taxpayers are required to submit an application beforehand to the District Director of the Tax Office, receive a notice of an ID and a password for e-Tax<sup>(\*1)</sup>, and retain and input the ID and password; however, this will no longer be necessary after the procedure is simplified.
- ▶ The NTA has been pursuing the simplification of the procedure for the use of e-Tax, utilizing information based on a notice of medical expenses.

### The use of e-Tax with IDs and passwords (ID and password method)

Taxpayers who have not acquired a My Number Card or an IC card reader/writer will be able to file a tax return online with an ID and a password for e-Tax notified by the District Director of the Tax Office based on a strict procedure for confirming the identity of individuals<sup>(\*2)</sup>.

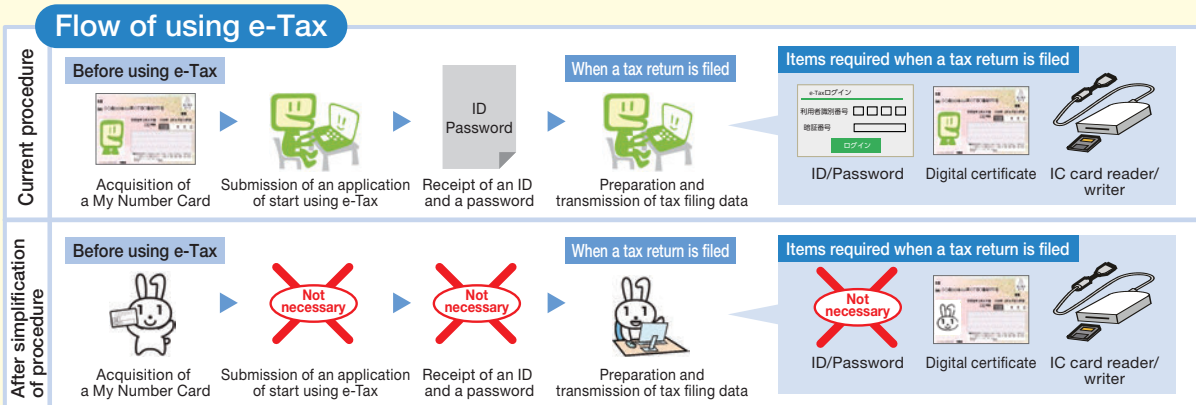
- ▶ The identity of individuals is strictly confirmed by conducting a face-to-face interview with an official at a Tax Office<sup>(\*3)</sup>.
- ▶ Access to a message box in principle requires a digital certificate<sup>(\*3)</sup>.

\*1 ID for e-Tax: User identification number, password for e-Tax: Password.

\*2 This is a temporary procedure used until My Number Cards and IC card reader/writer come into general use (to be reviewed in about three years after implementation).

\*3 These will be conducted as a part of the measures for preventing identity fraud and security measures.

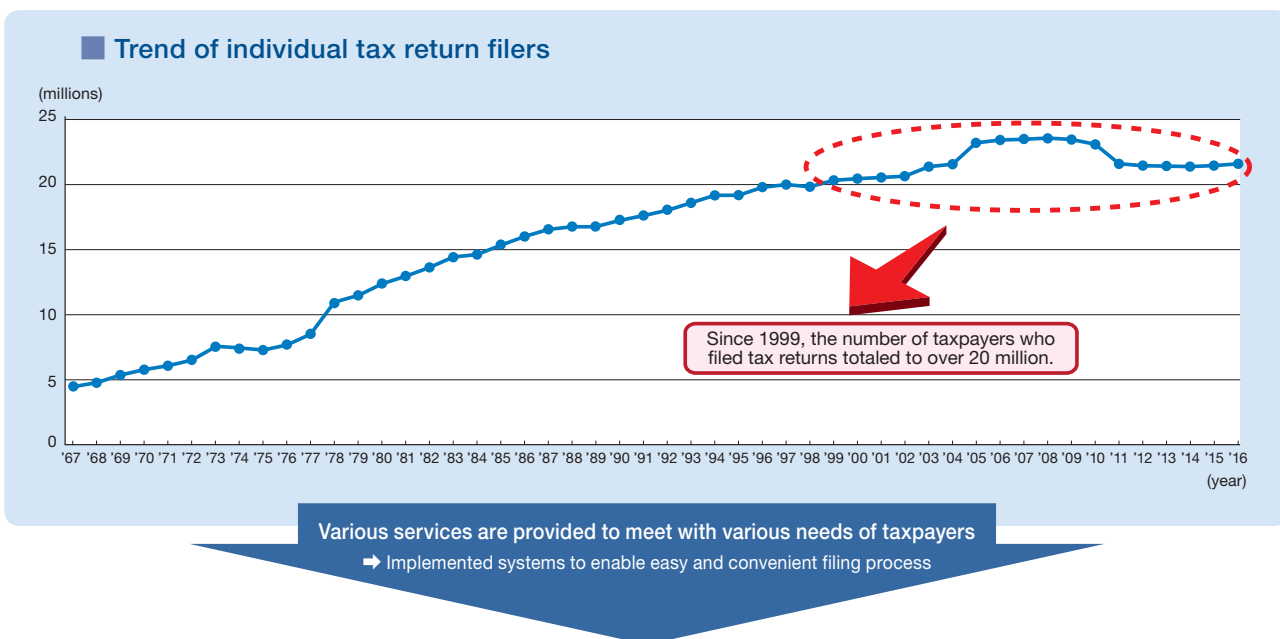
### ~ Conceptual diagram of the use of e-Tax with the My Number Card method ~



### 3 Filing for tax return

~ The number of taxpayers who filed tax returns totaled 21.69 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. 21.69 million people filed their income taxes and special income taxes for reconstruction for 2016; thus, one out of six residents filed tax returns. Of these, over 12.58 million people filed for refunds, comprising over half of the people filing tax returns.



#### (1) Promotion of filing using ICT

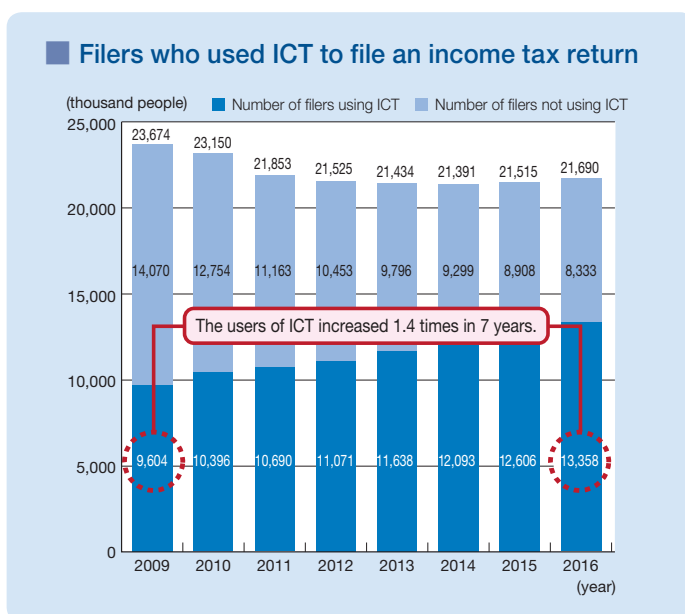
~ Filing assistance on the website and e-Tax ~

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.





## II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

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

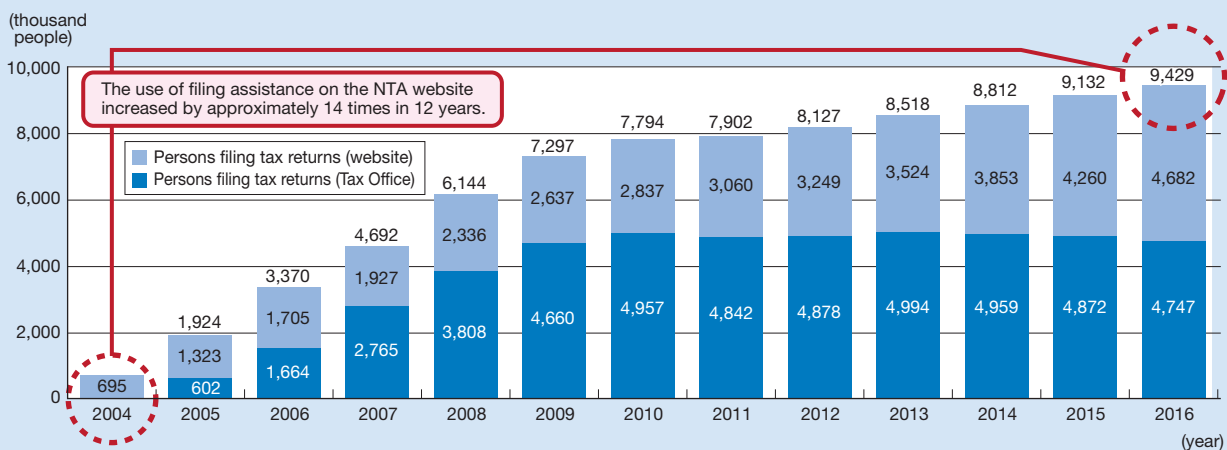
With the filing assistance on the NTA website, if a taxpayer enters the amounts and other necessary information according to the guidance on the PC screen, income amounts and tax amounts are automatically calculated, and it allows taxpayers to complete their tax returns for income tax and special income 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 2016, 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 9.43 million cases including those prepared via PCs set up at consultation sites. This comprised about 43% of all people who submitted returns. About 52% 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.

## (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 2016 tax return filing period, the offices were open on February 19 and February 26, 2017, during which 294,000 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 Diversification of payment methods

### ~ Enhanced taxpayer services by offering various payment methods ~

To enhance taxpayer services, diverse payment means such as online payment using internet banking, payment at convenience stores, and direct payment, have been introduced in stages for taxpayers to be able to choose the payment method of national tax, instead of paying at the counters of financial institutions and Tax offices in cash with tax payment slips. Additionally, tax payment with a credit card started in January 2017.

Taxpayers can also use transfer tax payments from a deposit account for self-assessed income tax and sole proprietors' consumption tax.

#### Direct payment (direct type online payment of national tax)

Direct payment is a procedure that enables taxpayers to pay tax by simple operation after filing tax returns digitally by e-Tax, by submitting an application indicating bank account information in advance.

Direct payment can only be used at bank accounts held at financial institution which is compatible with direct payment. This is why the NTA is working to expand the number of financial institutions in which direct payment can be used, by requesting that non-compatible financial institutions become compatible, etc. As of the end of March 2017, it was usable in 398 financial institutions.

#### Online tax payment using Internet banking

National taxes can be paid online through Internet banking and ATMs of financial institutions that accept payment with Pay-easy.

To pay taxes online using Internet banking, etc., taxpayers are required to submit an application of start using e-Tax beforehand.

#### National tax payment at convenience stores

For the payment of national taxes, taxpayers are able to make tax payments at night or on holidays at convenience stores when financial institutions or the Tax Offices are closed. Tax payments were made at convenience stores in about 1.6 million cases in FY2015.

When making a convenience store tax payment, a tax payment slip with bar code is needed, with the amount limited to ¥300,000 or less. The bar-coded vouchers are issued by the Regional Taxation Bureaus and Tax Offices with jurisdiction, in the following cases:

- ① If the determined tax amount is notified before the due date (estimated income tax prepayment, etc.)
- ② If the tax payment is demanded by letter or telephone (for all tax items)
- ③ If the tax payment is under the official assessment system (for various additional taxes)
- ④ If the taxpayer requested the issuance of tax payment slips for the determined tax amount (for all tax items)

#### Payment with credit card

Credit card payment is a procedure whereby entrusting the payment of national tax to a trustee by inputting information required for payment on the "National Tax Credit Card Payment Site" operated by the trustee for payment on the Internet.

The tax amount that can be paid with a credit card is a maximum of 10 million yen and should be within the payment limit of the credit card to be used.

Taxpayers must pay for handling charges for credit card payment in accordance with the tax payment amount (handling charges are not national revenue).

### 5 Efforts toward the Social Security and Tax Number System (My Number System)

#### (1) Outline of My Number System

My Number System is the base of a more fair social security and tax system, and contributes to the people's convenience and a higher efficiency of administration as infrastructure of information society.

Upon the introduction of My Number System, the NTA acts as an entity assigning Corporate Numbers and also as an entity utilizing My Numbers (individual number) and Corporate Numbers.



Mascot character for My Number "Maina-chan"

#### ① My Number (Individual number)

From October 2015, a 12-digit individual number has been designated to anyone holding residential registration. The number has been notified by municipal offices that has been sending a notification card to the residential registration address. The use of My Number is limited to the procedures prescribed by law or municipal regulations, such as procedures in the fields of social security, taxes, and disaster measures.

#### ② Corporate Number

From October 2015, the NTA has been designating a 13-digit Corporate Number to each corporation, such as stock companies. The Number has been notified by the NTA that has been sending a written notice to the corporation's registered address or principal place of business. The following three types of information on the corporation, etc., in principle, is publicly announced and available to anyone; (1) trade name or name, (2) address of head office or principal place of business, and (3) Corporate Number.

#### (2) Actions as an entity utilizing My Numbers and Corporate Numbers

##### ~ Utilization in the national tax field ~

Upon the introduction of My Number System, an individual or corporation will have to fill in the Number (My Number or Corporate Number) on the declaration form and statutory statements they submit to the tax authority.

When My Number is provided, it is necessary to confirm the identity of individuals based on Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure to prevent identity fraud.

Therefore, the NTA enact a notice that establishes specific procedures to confirm the identity of individuals in the national tax field.

##### ~ Improving convenience for taxpayers ~

Taking the opportunity of the introduction of My Number System, the NTA has implemented the following measures for improving the convenience for taxpayers: (1) attaching a copy of a certificate of residence can be omitted in a declaration procedure to claim, for instance, a housing loan tax credit from 2016, and (2) In January 2017, electronic filing was centralized for the withholding record and the payment record of salaries, a public pension, etc. that should be submitted to both the national and local governments.

The NTA has been pursuing the simplification of the procedure for the use of e-Tax by individual taxpayers, utilizing information based on a notice of medical expenses.

## ~ Recognizing income properly and more efficiently ~

In the field of national taxes, as numbers will be required on documents such as declaration form and statutory statements, the NTA expects that name-based aggregation of statutory statements and matching with declaration form will become more accurate and efficient, and, in turn, income will be recognized more accurately. As a matter of course, it is difficult to recognize and verify some transactions, including information on business income and foreign assets and transactions, with statutory statements only. Therefore, we have to note that recognizing all income is difficult even with these numbers.

## ~ Conducting public relations activities ~

To facilitate the establishment of My Number System, the NTA is actively conducting public relations by publishing FAQs, etc. through a special site regarding My Number System on its website, a briefing session, etc. held for the relevant private sectors, industrial associations, etc., and public relations using newspapers and Internet advertising in cooperation with the relevant ministries and agencies.

### Latest information on the Social Security and Tax Number System and inquiries

- The Cabinet Office website for the Social Security and Tax Number System:  
<http://www.cao.go.jp/bangouseido/>
- Call Center for the Social Security and Tax Number System (Multilingual Service) :

**0120-95-0178**

Wrong calls have been increasing. Please make sure to dial the correct number.

Available from 9:30 am until 8 pm on weekdays and until 5:30 pm on weekends and holidays (excluding year-end and New Year holidays)

\* Latest information about operation hours is available on the website of the Cabinet Office.

### Latest information on the Social Security and Tax Number System pertaining to national taxes

For the latest Information on the Corporate Number and information on the My Number System for national taxes, please visit the special site on the NTA website.

**NTA My Number**  <http://www.nta.go.jp/mynumberinfo/index.htm> (in Japanese)

The Corporate Number is published on the NTA Corporate Number Publication Site on the Internet.

**Corporate Number Publication Site**  <http://www.houjin-bangou.nta.go.jp/en/>

- Office of Corporate Number Management at the NTA is accepting inquiries about designating Corporate Number, sending a written notice, and how to use "Corporate Number Publication Site".

Toll-free telephone service of the Office of Corporate Number Management at the NTA

**0120-053-161**

Available from 8:45 am until 6 pm on weekdays (not available on weekends, holidays, and New Year holidays)

When the above number is not accessible from IP phones, etc., please call **03-5800-1081** (calls will be charged).



## II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

### (3) Actions as an entity assigning Corporate Number

#### ~ Assigning Corporate Numbers ~

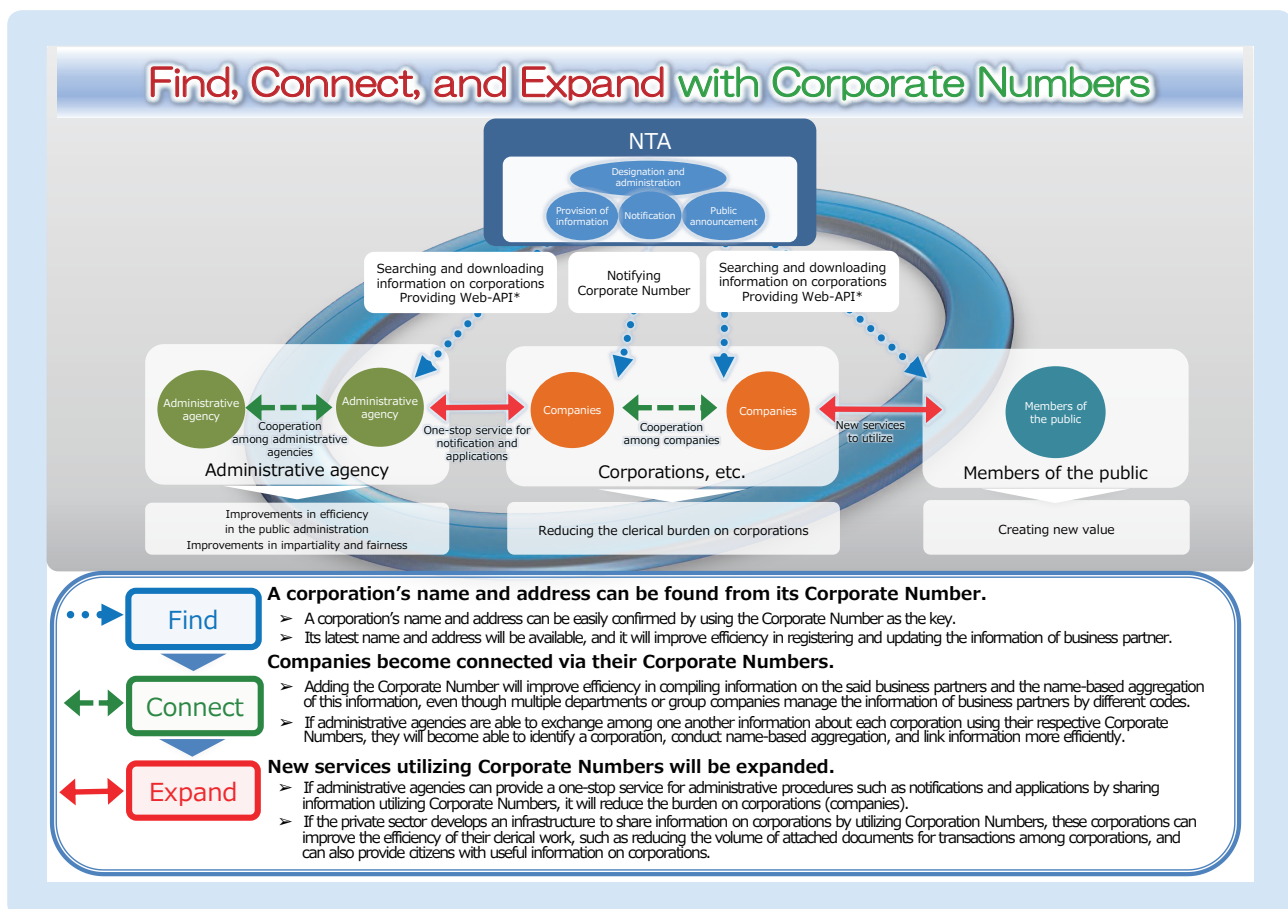
The Corporate Number is designated to ① established registered corporations, such as stock companies, ② national government organs, ③ local public entities, or ④ other corporations or associations without juridical personality, etc., other than those listed in ① through ③, those obligated to file and pay corporation or consumption tax, or to withhold income tax from salaries, etc. The NTA designates the Corporate Number based on the registration information provided by the Ministry of Justice or other information without requiring any particular notification procedures, and also sends the Notification of the Corporate Number.

\* A corporation or association without juridical personality other than those mentioned above can also receive a designated number by submitting a request to the NTA Commissioner if it meets certain requirements.

The NTA publishes the designated Corporate Numbers via the Internet (Corporate Number Publication Site (<http://www.houjin-bangou.nta.go.jp>)). The Internet site provides a function to search for Corporate Numbers from a corporation's trade name or address, and a function to download data so that the publicized information will be available for users' secondary use.

#### ~ Promoting the utilization of Corporate Number ~

The Corporate Number, unlike My Number, has no limit on their range of use, and it is important to utilize them in broad fields as a part of the social infrastructure. Cooperating with relevant ministries and agencies, the NTA is striving to explain the system under the slogan of “find, connect, and expand” and to encourage the utilization of the system by national and local administrative agencies and private organizations.



## ～ Initiatives for the international utilization of Corporate Numbers ～

### ① The registration as an issuing agency based on international standards

The NTA is registered as an issuing agency with the United Nations (UN) and the International Organization for Standardization (ISO), and has obtained “issuing agency codes” so that Corporate Numbers can be used as common corporation codes in international distribution (e.g., electronic commerce) as well as in Japan.

Corporate Numbers became available for international transactions as a unique gratuitous corporation code when issuing agency code and corporation code (Corporate Number) are used in combination.

### ② Opening of Corporate Number Publication Site (English Version)

While economic transactions are being internationalized, there are increasing opportunities to use corporation names and addresses in English. In order for Corporate Numbers to be used more widely, the English version of the Corporate Number Publication Site (<http://www.houjin-bangou.nta.go.jp/en/>) was established in April 2017, and trade names or names and the addresses of head offices or principle places of business in English are published upon requests from corporations.

## 6 Promotion of adoption of ICT and Business Process Reengineering (BPR)<sup>1</sup>

### ～ Actions for changing in the Japan’s tax administration environment ～

In tandem with the rapid development of increasingly complicated economic transactions, geographical expansion and the globalization of the economy, and the increasing sophistication of information, Japan’s tax administration environment has been changing considerably.

In order to improve convenience for people and achieve more simple, efficient, reliable and transparent administrative operations by utilizing ICT in administrative areas and reviewing operations and systems, the “e-Government Establishment Plan” was decided in July 2003. In addition, the “Declaration to be the World’s Most Advanced IT Nation” was decided on in June 2013 to enable Japan to be the society that utilizes IT at the most advanced level in the world.

Following these plans, the NTA will make a constant effort to reduce 30 percent of the operation costs of the information systems, such as the KSK (Kokuzei Sogo Kanri) system and e-Tax, targeted for 2021. We will also promote strategic initiatives to rebuild these systems into systems of higher added value, such as the initiatives for Business Process Reengineering (BPR) for the reduction in the administrative burden on people and the advancement of administrative operations.

### Ensuring stability and reliability of ICT system and information security

Because the national tax-related operations are closely connected to public rights and obligations, failure in its ICT system is likely to have a large impact on citizens and impair the credibility of tax administration. Therefore, the NTA is working to maintain stable operation of ICT systems by regularly updating ICT equipment.

Since the NTA holds and accumulates large amounts of taxpayer information, it takes great care for the prevention of its improper use and leakage. For instance, the NTA allows its officials to use only the necessary information for their work, and the NTA physically disconnects officials’ PCs that access taxpayer information from the internet. The NTA also conducts security audits regularly.

At the computer center which stores data for e-Tax and the KSK System, the NTA built an information security management system (ISMS)<sup>2</sup> which complies with international standards, and in 2007, obtained certification based on the ISMS compliance evaluation system (certification based on ISO/IEC27001: 2005 and JISQ27001: 2006)<sup>3</sup>, and regularly renews the certification afterward.

<sup>1</sup> “Business Process Reengineering (BPR)” means a fundamental reform of existing organizations and business rules, and a redesign of duties, work flow, administrative mechanisms, and information systems from a process viewpoint.

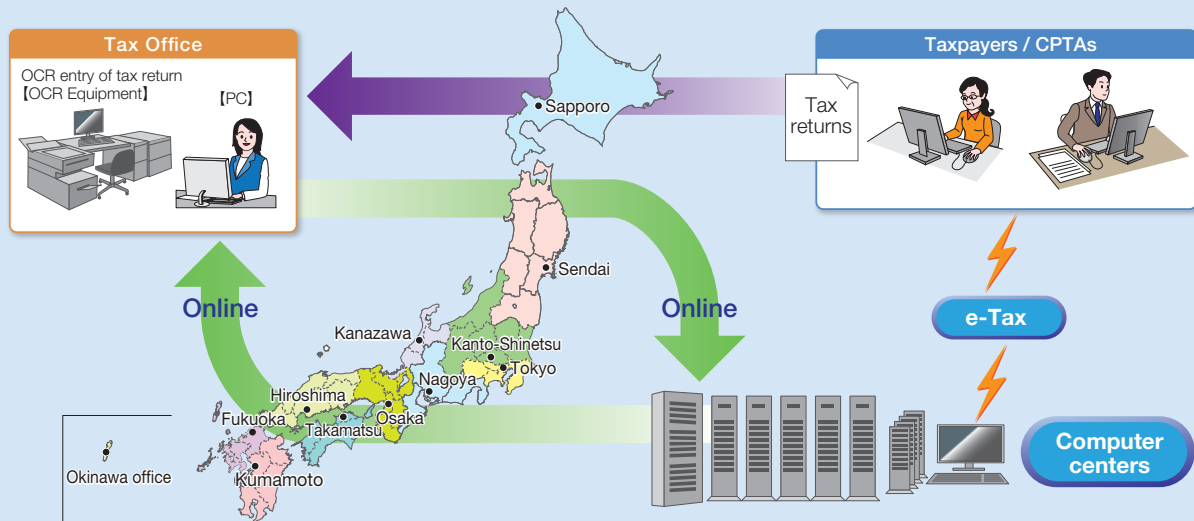
<sup>2</sup> An Information Security Management System (ISMS) is an organizational initiative to implement the planning, operation, review and improvement which are required in order to maintain a situation of appropriate management for confidentiality and completeness and usability of information assets which should be protected.

<sup>3</sup> ISO/IEC27001:2005 is one of the standards created by the International Organization for Standardization. This became a global standard for information security management systems in October 2005. JISQ 27001:2006 is a Japanese domestic standard published in May 2006, corresponding to ISO/IEC27001.

## II Efforts to Enhance Services for Taxpayers and to Boost Efficiency of Tax Administration

### Kokuzei Sogo Kanri (KSK) System

The KSK System, which links all Regional Taxation Bureaus and Tax Offices, is a computer system to centrally manage national tax receivables etc. by inputting the data of past tax returns and tax payment, or a variety of other information.



## 7 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.

## 8 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 1,900 associations nationwide, and the total number of members is about 630,000 (as of April 2017). 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 790,000 corporations (as of December 2016). 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 2016). 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> (in Japanese)

## 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 150,000 members belong to these associations (as of March 2017). 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> (in Japanese)



## Column 3 Response to the Great East Japan Earthquake (As of end of March, 2017)

### 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 fiscal 2016 on liquors and brewing water (1,441 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 8,835 certificates of place of manufacturing, and 817 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, 2017):

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).
	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. 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. ③ The above ① and ② can be applied simultaneously.
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 December 31, 2021) 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.

<b>Motor vehicle tonnage tax</b>	<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>
<b>Stamp tax, etc.</b>	<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>
<b>Liquor tax</b>	<p>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.</p>

\*For other measures and details, see the NTA website <http://www.nta.go.jp> or visit a nearby Tax Office.

## Column 4 Response to the 2016 Kumamoto Earthquake (as of the End of March 2017)

### 1 Extension of filing and payment deadlines for national taxes

On April 21, 2016, the NTA announced an extension of filing 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.

After that, based on the post-earthquake situation in Kumamoto Prefecture, the measure for the extended deadlines was set as November 30, 2016 and December 16, 2016 (notification dated October 17, 2016).

The deadline can be further extended upon request for taxpayers still having difficulty in filing or paying taxes by the above dates. The NTA has been striving to meticulously deal with the situation in consideration of the circumstances of each taxpayer.

### 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.

In advance of the filing of tax returns for 2016, those Tax Offices having jurisdiction over affected areas held consultations with municipalities in those area about casualty loss deduction for those who have houses damaged by the Kumamoto Earthquake.

The Kumamoto-Higashi Tax Office and the Kikuchi Tax Office, where many tax filings by affected taxpayers were expected to file, established a system whereby affected taxpayers can appropriately make consultations and file tax returns, such as providing consultations for tax filings by arranging larger external venues than the halls usually used inside the Tax Office buildings.

#### (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.

## Column 5 Actions taken for the amended Consumption Tax Act

### 1 Provision of information and consultation concerning the reduced tax rate system for consumption tax

The “reduced tax rate system” for consumption tax is to be implemented along with the raising of the consumption tax rate scheduled on October 1, 2019.

#### ■ Outline of the reduced tax rate system

Consumption tax rates	The standard tax rate is 10% (national consumption tax rate of 7.8% and local consumption tax rate of 2.2%) The reduced tax rate is 8% (national consumption tax rate of 6.24% and local consumption tax rate of 1.76%)
Items subject to the reduced tax rate	① Food and beverages excluding alcoholic beverages and dining out ② Newspapers issued more than twice a week (those based on subscriptions)
Entry in ledgers, description on invoices, and storing these documents	<ul style="list-style-type: none"> <li>● Business operators that sell and/or purchase target items will be required to carry out separate accounting by issuing invoices, etc. and making entries that state classifications by tax rate in addition to prior requirements.</li> <li>● A requirement for purchase tax credit is currently “storing ledgers, invoices, etc.” After the reduced tax rate system is implemented, business operators will be required to store ledgers, invoices, etc. in accordance with the separate accounting* (method of storing invoices, etc. with classified descriptions).</li> </ul> <p><small>* These are classified as “invoices, etc. with classified description.” Starting from October 2023, business operators will be required to store “qualified invoices, etc.” in place of “invoices, etc. with classified description” (method of storing qualified invoices, etc.).</small></p>

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 fully understand the reduced tax rate system for consumption tax.

- Opening of a special site of the reduced tax rate system on the NTA website
- Publication of Q&As with explanations based on specific cases about items subject to the reduced tax rate
- Setting up a guidance exclusively for the reduced tax rate at an existing telephone counseling center
- Explanation for the reduced tax rate system through various explanatory meetings
- Provide consultations on the reduced tax rate system 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 refusing to shift consumption taxes or acting in a way that interferes with said shifting. The Act also provides exceptions for the obligation to indicate the total price with tax.

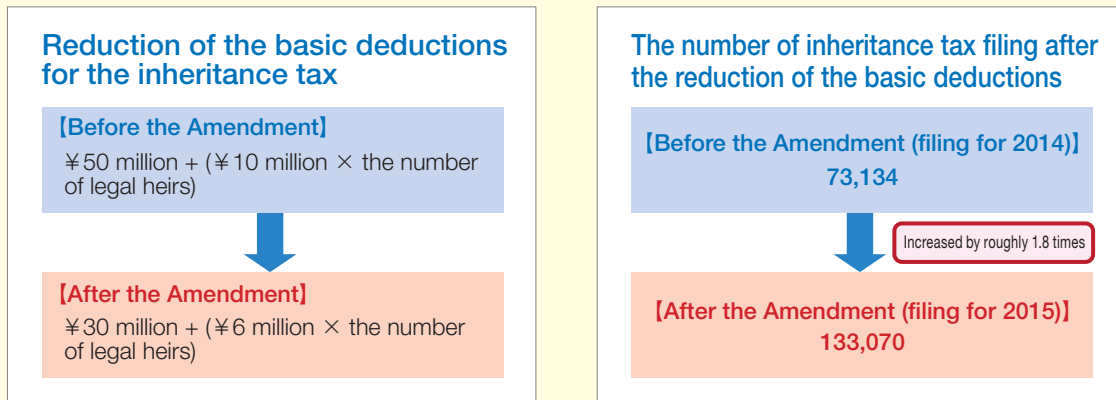
Thus, the NTA endeavors to secure smooth and appropriate shifting of consumption taxes through the following measures:

- 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 6 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.



### 2 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(<https://www.nta.go.jp/souzoku-tokushu/index.htm>)” which integrates relevant information on inheritance tax, etc.

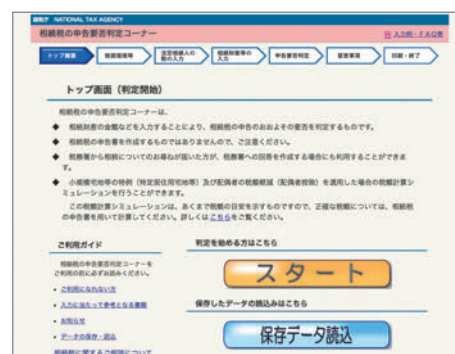
More specifically, we are posting a pamphlet for informing site visitors about items amended by this tax reform including and “Outline of Inheritance Tax” that explains the system of the inheritance tax in an easy-to-understand manner. In addition, the website has a section open to the public, “Tool 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.

#### [Tool for Judging If You Need to File Your Inheritance Tax Return]

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

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.



\* The diagram above is as of May 2017.