

From the Commissioner

First, I wish to extend my sincere sympathies to those who have been impacted by the Covid-19 pandemic. I would also like to express my utmost respect and appreciation to those in the medical profession who are working tirelessly, day and night, at the front lines of the pandemic to treat and look after those who have fallen ill to Covid-19. So far, the government has undertaken various measures to address the situation. The National Tax Agency (NTA) has listened earnestly to voices of the taxpayers regarding their situation, and have taken swift and careful actions, such as implementation of flexible deadlines for filing of tax returns and tax payments to those experiencing difficulties in meeting these deadlines, and introduction of a deferral program for tax payments to those who find it difficult to settle their taxes due to the impact of Covid-19. We ask taxpayers for your continuous understanding and cooperation despite the inconveniences experienced.

Last year, a title of the new era was ushered in, and the era transitioned from Heisei to Reiwa. The NTA is committed to fulfilling its mission “to help taxpayers properly and smoothly fulfill their tax duties” continuing into the new era by implementing measures to enhance services available to taxpayers and preparing an environment for settlement of taxes that enables an even more convenient and smooth filing and payment of taxes. In addition, so that taxpayers who have properly filed their taxes do not feel a sense of unfairness, the NTA will take strict action against malicious tax evaders and strive to execute proper and fair taxation and collection.

Our country employs the self-assessment system, so understanding and faith of the taxpayers towards the tax system and tax administration is of utmost importance. To this end, the NTA is promoting the significance and necessity of tax and various initiatives of the tax administration, and not limited to efforts to deliver information necessary for filing and payment of taxes, the NTA is pressing forward with efforts to enhance procedures to file and settle taxes with higher convenience through utilization of e-Tax and ICT.

With regards to the increase in consumption tax rate and reduced tax rate system which was implemented last October, the NTA has corresponded to these changes in an attentive manner, such as through sessions to provide guidance on bookkeeping in accordance to separate accounting method and seminars for business operators hosted by the NTA, publication of Q&A which illustrates the new system based on actual examples, distribution of pamphlets for public announcement and public relation, and individual consultations with the aim to promote smooth implementation and establishment of the new system. A significant number of business operators filed their self-assessed tax return for the first time after the reduced tax rate system was implemented, and we believe that a majority of these businesses were able to complete the filing process without any issues. I would like to take this opportunity to thank various parties who contributed to this effort, including the Certified Public Tax Accountants' Associations, relevant private organizations and trade associations.

Furthermore, beginning in January of this year, the eligibility for use of the dedicated website for smartphones to file individual income tax returns has been expanded, and e-Tax is now available through the combination of smartphone and My Number card. Through these enhancements, filing from home has become closer, and we hope that even more taxpayers take advantage of it.

In regards to initiatives related to the My Number system, while furthering efforts to enhance efficiency in administrative work through utilization of the system, the NTA is moving forward in undertakings to develop a system which will enable taxpayers to collectively gather data, such as deduction certificates, from Mynportal, and complete the e-Tax process by automatically populating the final tax return form.

In terms of initiatives to realize proper and fair taxation and collection, the NTA takes systematic and strict action against large-scale and malicious conduct while attempting to protect the rights and interests of taxpayers. The NTA strives to ensure proper taxation through efforts to precisely cope with new fields of economic activities, such as the Sharing Economy, and through collection and analysis of information with focus on new form of transactions accompanied by advancements in ICT.

With the backdrop of increasingly global economic activities in recent years, international tax avoidance and concealment of assets overseas is getting public interest as transfer of assets abroad by individuals and corporations continues to increase, posing a significant global challenge. To this end, while increasing cooperation with foreign tax authorities, the NTA strives to reinforce the collection and utilization of information, improve and expand the execution system and proactively carry out examinations.

Every member of the staff at the NTA is dedicated to help taxpayers file tax returns and pay tax due properly and without difficulty, through various measures as stated above. The mission expected of the NTA is critical, but in order to continue fulfilling this responsibility in a certain manner, we will continue to promote business process reengineering and tackle various challenges to evolve the organization while paying attention to the to-be state of future economic society. I would appreciate if this “National Tax Agency Report 2020” would help you to better understand us and the NTA.

June 2020

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