

~ 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 (so called “tax compliance”¹).

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, 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 useful information on tax filing and payments, etc.

More specifically, focused on the NTA website (<https://www.nta.go.jp>), the NTA provides a variety of information on the significance and roles of 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 (accessed 334.22 million times in FY2019).

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 various efforts 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 recognizes that understanding the relationship between daily life and taxes through this effort is essential to maintain and develop self-assessment system.

(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 making efforts to deliver information in an easy-to-understand format, such as simplified layout of the website with menu selection consolidated, and pay attention to convenience for the visually disabled and the elderly by providing text enlargement, voice reading functions, etc.

In addition, optimized display on a smartphone or tablet screen is delivered through a function which automatically adjusts the display in accordance with the size of the display (responsive web design).

The NTA also has a website for cellular phones (so called feature phones), etc. (<https://www.nta.go.jp/m> [in Japanese])

¹ “Tax compliance” refers to the act of the executive officer to become personally involved in a proactive manner to ensure appropriate filing and to develop internal controls as necessary.

Overview of NTA Website (top page)

* The following diagram is as of June 2020.

The screenshot shows the NTA website homepage with the following features highlighted by numbered callouts:

- 1** Search function within the website: A search bar at the top right.
- 2** Text enlargement / voice reading: A button labeled '文字拡大・読み上げ'.
- 3** Global navigation: A horizontal menu with categories like 'ホーム', '税の情報・手続・用紙', etc.
- 4** Important notices: A section titled '新型コロナウイルス感染症関連情報' with sub-sections for '重要なお知らせ' and '特集'.
- 5** New arrivals: A section titled '新着情報' with a list of recent updates.
- 6** Urgent notice: A section titled '注目ワード' listing various tax-related terms.
- 7** Menu by area of interest: A section titled '分野別メニュー' with sub-sections for '税について調べる', '利用者別情報', '申告手続', '納税手続', and '関連サイト'.
- 8** Search for tax office: A section titled '税務署を検索' with a search form.
- 9** SNS, etc.: A section titled '税務署を検索' with social media links for Twitter, YouTube, and others.
- 10** Banner: A banner titled '国税に関するご相談' with a call to action.
- 11** Site map: A section titled '国税に関するご相談' with a list of links for various services.

- 1 Search function within the website**
Function to search through information on the entire NTA website by referencing a keyword
- 2 Text enlargement / voice reading**
Support functions for the elderly and those who have visual disorders
- 3 Global navigation**
Information guide that serves as an entrance to various information sites
- 4 Urgent notice**
Displays highly urgent information, such as disaster-related messages
- 5 New arrivals**
Displays new arrival information in a table by content
- 6 Featured topics**
Displays terms that are frequently searched and those related to information that deserve special attention
- 7 Menu by area of interest**
Displays page with the most access by area of interest
- 8 Search for tax office**
Enables the user to search for its jurisdictional tax office by postal code or address
- 9 SNS, etc.**
Collects and displays information from all tools used by the NTA to release information
- 10 Banner**
Displays the contents to be distributed in the form of banner depending on various situations
- 11 Site map**
Displays the composition of the entire NTA website in a table

* 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.

(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 which was installed at the national level (consisting of the NTA, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, 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 Regional Taxation Bureaus, Tax Offices, local authorities, educational leaders, etc.).

In terms of the essays on tax, we receive a significant number of applicants every year, for which recognition of excellence are awarded and open essay reading sessions are hosted.

Moreover, Taking into account changes in the environment surrounding tax education, such as revision of the education guideline and increasing importance of citizenship education¹, the NTA is making efforts to develop courses and teaching materials that deliver a profound learning experience by accurately ascertaining the needs of the educators and collaborating with related agencies, enabling children and students to make observations in a subjective and interactive manner. A "Tax learning section" is provided on the NTA website (<https://www.nta.go.jp/taxes/kids/> [in Japanese]) as a page for site visitors, like school children, students, etc. 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 (<https://www.nta.go.jp/about/organization/tokyo/education/taiken/01.htm> [in Japanese]).



Tax☆Space UENO



An open essay reading session

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

Fiscal year	2018	2019
Officials	9,203	8,770
Non-officials	34,133	35,297
Total	43,336	44,067

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

■ Number of essays entered for Tax Essay Contest

Fiscal year	2018	2019
Received from high school students	219,163	214,421
Received from junior high-school students	593,795	578,204

¹ "Citizenship education" refers to the program to instill the capacity to survive in society and autonomously resolve local issues as a member of society, while acting independently as a citizen and collaborating and cooperating with other individuals.

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.

In addition, a "Special Exhibition" is held on a certain theme for each year.

This year's theme was titled, "Changes in Life and Tax," and is being held from October 1, 2019 until September 29, 2020.

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



Tax Museum

(3) Lectures

~ Tax Enlightenment Activities to Improve Awareness Towards Tax Payment ~

The NTA holds lectures, supported by the Regional Taxation Bureaus and Tax Offices, for college students and adults with the objective to improve awareness towards tax payment, aiming towards development of understanding towards tax payment through accurate knowledge and proactive thoughts on the role of taxes, significance of the self-assessment system and the rights and obligations of taxpayers.

■ Frequency of lectures

Fiscal year	2017	2018
Frequency held	1,993 times	2,002 times

(4) 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	2017	2018
Frequency held	25,939 times	46,750 times
Number of participants	1,105 thousand people	1,772 thousand people

(5) Tax consultation

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

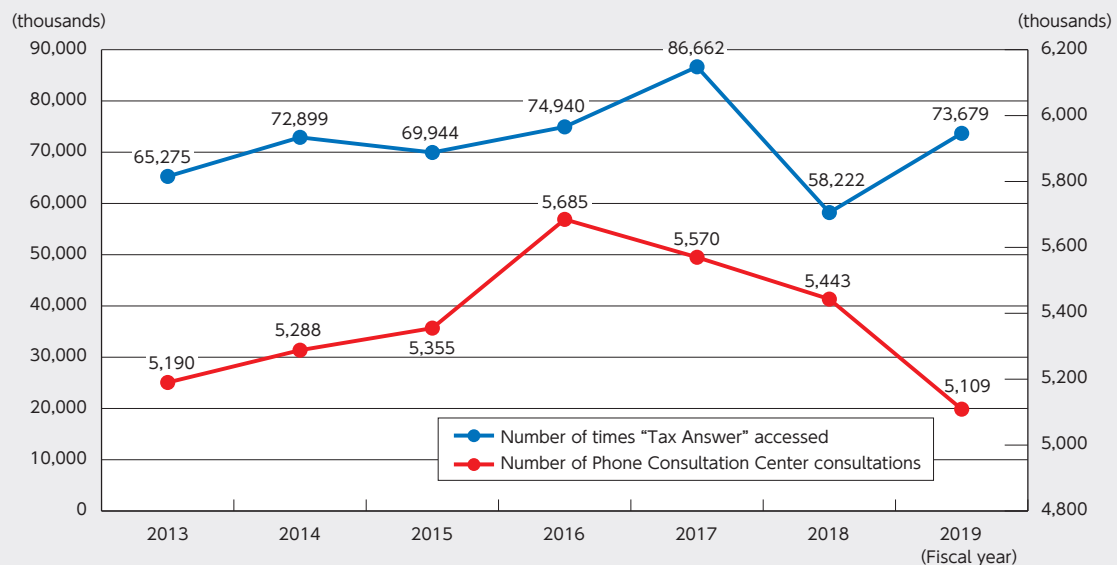
Tax officials of Phone Consultation Centers at Regional Taxation Bureaus provide centralized handling of general national tax questions and consultations from taxpayers. In Tokyo, Nagoya and Osaka they also provide tax consultation in English.

Also, information is provided via “Tax Answer” section on the NTA’s website (<https://www.nta.go.jp/taxes/shiraberu/taxanswer/index2.htm> [in Japanese]), in which general answers to frequently asked questions are posted.



Phone Consultation Center

■ Number of Phone Consultation Center 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 over the telephone is difficult, for example if it is necessary to check specific documents or facts, interviews can be made at the Tax Office with jurisdiction.

In the interview consultation, since it is necessary to set aside ample time for the interview to provide guidance in a manner that every taxpayer can understand, we are requesting that an appointment for the interview is made in advance over the phone.

A chatbot for tax consultation will be introduced.

A “chatbot for tax consultation” that enables consultation 24 hours a day, 365 days a year, for introduction on the NTA website within FY2020.

1. What is a chatbot?

A “chatbot” is a term developed through combination of “chat” and “robot,” and refers to a conversation program utilizing artificial intelligence (AI). Questions concerning taxes will be selected from a drop down menu or entered into a free entry box, against which an answer will be generated automatically through AI.

2. What the chatbot for tax consultation will deliver

Through the chatbot for tax consultations, users will be able to casually pose questions concerning taxes at any time of the day, and access information published on the NTA website more immediately.

3. Enhancing simplicity and convenience of a chatbot

A chatbot for tax consultation was experimentally introduced on the NTA website from January 2020.

Simplicity and convenience will be enhanced based on opinions and feedback from users and through learnings of AI, and it is scheduled for reintroduction on the NTA website within FY2020.

■ Image of a chatbot for tax consultation

I am a character of a chatbot, Futaba.
I will answer.



(6) 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 before transactions or tax filing deadlines and provide answers.

If requested, a written answer may be provided to the advance inquiries mentioned above under certain conditions and the disclosed as Q&As on the NTA website (<https://www.nta.go.jp/law/bunshokaito/01.htm> [in Japanese]).

Besides written answers, answers that can serve as reference for taxpayers among ones to advance inquiries, are also carried on the NTA website as examples in Q&As (<https://www.nta.go.jp/law/shitsugi/01.htm> [in Japanese]).

■ Number of Advance inquiries received by written reply procedure

Fiscal year	2018	2019
Number of Advance Inquiries Received	133	115

■ Number of Q&A examples posted on website

Fiscal year	2018	2019
Number of Q&A posted	1,953	1,968

Measures for victims of natural disaster

The NTA took a measure to extend the national tax filing and payment deadlines for the regions which were affected by Typhoon Hagibis in 2019.

In keeping with the policy of the government, from the perspective of preventing the further spread of Covid-19 pandemic, deadlines for filing of the final tax returns and payment of taxes, such as self-assessed income tax, were extended at the same time, and for those who found it difficult to file before the extended deadlines, the NTA will flexibly accept tax returns without a fixed deadline. Furthermore, the NTA has announced a tax payment deferral program for taxpayers who are experiencing difficulties in settling their taxes due to the impact of Covid-19 pandemic. For further details, please refer to Column 3 (page 18).

In response to taxpayers who have been impacted by natural disasters and such, the NTA continuously disseminates systems, answers inquiries from taxpayers, and so on as well as provides consultations while giving adequate consideration to their circumstances and emotions.

Principal tax treatments applicable to those who suffered damage from these disasters

- The taxpayer may extend the deadlines for filing or payment, and postpone tax payment for a certain period.
- The taxpayer may benefit from reduced taxes or postponement of payment, even during the stages of an estimated income tax prepayment or income tax withholding.
- Should the taxpayer suffer damage to its home or belongings, the taxpayer may reduce its income tax through casualty loss deduction methods determined in the Income Tax Act or 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.

Publicity about taxation measures relating to disasters

The NTA has provided information and publicity about taxation measures with the people affected by disasters through pamphlets, website, Twitter and other methods, soon after the occurrence of disasters.

For details of the procedure and other tax measures concerning natural disasters not mentioned above, see the NTA website "The Disaster related information" (<https://www.nta.go.jp/taxes/shiraberu/saigai/index.htm> [in Japanese]).

NTA's response to the Covid-19 pandemic (as of May 15, 2020)

Since the first infected person of Covid-19 in Japan was confirmed in January 2020, various infection control measures and economic measures have been undertaken by the government in accordance with the degree of expansion of the pandemic.

The NTA is striving to prevent further spread of the pandemic so that taxpayers may file tax returns and carry out procedures for tax payments without any concern, including during the period of final income tax return filing, when a significant number of taxpayers visit the Tax Offices.

In addition to provision of information and publicity concerning NTA's response and effort to address the Covid-19 pandemic through its website, the NTA is increasing publicity on a broad scale through relevant private organizations and local governments, while a swift distribution of information is attempted through use of various methods, such as media announcements, publication on newspapers, television and the Internet, Twitter and e-newsletters.

We ask citizens of Japan for continuous understanding and cooperation in preventing further spread of the pandemic.

1. Measures for final income tax return filing

A significant number of people visit the final income tax return sites at the tax offices for filing consultations on a daily basis. Therefore, the NTA has undertaken exhaustive measures to prevent the spread of the pandemic by instructing officials who attend to taxpayers seeking consultation to thoroughly carry out handwashing, gargling, and wearing face masks, as well as frequent ventilation of the filing site, sterilization of furnishings, such as PCs and stationaries at the sites which visitors may come into contact with, and spreading distances between taxpayers by ensuring proper distance between PCs. The agency has also asked for cooperation from taxpayers by requesting them to wash their hands, wear face masks and make use of alcohol disinfectants when entering the final tax return filing sites, while requesting them to refrain from coming to the sites if they should be experiencing any symptoms, such as coughs and fevers, and if they should not be feeling well.

In keeping with the policy of the government, on February 27, 2020, in addition to the NTA's announcement that deadlines for filing and payment of self-assessed income tax, gift tax, and consumption tax of sole proprietors would be extended to Thursday, April 16, 2020, with consideration to the subsequent spread of the Covid-19 pandemic in various regions, the agency also announced on April 6 that it would be flexible in accepting final tax returns, even after Friday, April 17, 2020 without any fixed deadline for those who found it difficult to file within the deadlines due to concern for going outside during the pandemic. With this measure, the payment date of self-assessed income tax and consumption tax of sole proprietors who have signed up for the transfer tax payments has been postponed to May 15, 2020 for self-assessed income taxes, and May 19, 2020 for consumption taxes of sole proprietors.

新型コロナウイルス感染症関連情報

重要なお知らせ

- ◆納税が困難な方へ [▲とじる](#)
- 《個人・法人共通》
 - ・新型コロナウイルス感染症の影響により納税が困難な方へ（納税の猶予制度があります）
 - ・国税局電子相談センターのご案内
- ◆申告・納付期限の延長 [▲とじる](#)
- 《個人の方へ》
 - ・4月17日（金）以降の申告・納付の対応について
 - ・「申告所得税・贈与税及び個人事業者の消費税」の申告・納付期限の期限延長手続について [\(PDF/779KB\)](#)
 - ・「相続税」の申告・納付期限の期限延長手続について [\(PDF/730KB\)](#)
- 《法人の方へ》
 - ・「法人税及び地方法人税並びに法人の消費税」の申告・納付期限の期限延長手続について [\(PDF/683KB\)](#)
- ◆酒類事業者等の方へ [▲とじる](#)
- ・新型コロナウイルス感染症に関する対応等について
- ◆緊急経済対策における税制上の措置 [▲とじる](#)
- ・「新型コロナウイルス感染症緊急経済対策における税制上の措置」について

特集：新型コロナウイルス感染症に関する対応について（詳しくはこちら）

郵送やインターネットで申請できます
納税の猶予、納税証明書など

注目ワード

- ・ 税理士試験の受験票
- ・ 税理士試験受験申込み
- ・ 税理士試験の実施
- ・ 料飲店等用酒類免許
- ・ 申告・納付期限の延長
- ・ 納税が困難な方へ
- ・ 所得税の確定申告
- ・ e-Tax
- ・ 非常勤職員の見舞
- ・ 監査費控除
- ・ 消費税の軽減税率
- ・ 災害関連減価償却
- ・ 不審な電話にご注意を

税務習生検索

郵便番号から税務習生を検索
(半角数字)

2. Measures for deadlines for filing and payment of corporate tax, inheritance tax, liquor tax and others

Tax such as corporate tax, consumption tax of corporations, withholding income tax, inheritance tax and liquor tax were not subject to the extension of deadlines described in 1 above. However, should there be an inevitable reason for inability to file and pay taxes before the deadlines due to impact of the Covid-19 pandemic, the extension of deadlines would be admitted on an individual case, similar to those described in 1 above.

3. Measures for those experiencing difficulties in paying their taxes

The agency has swiftly and flexibly applied measures, such as the deferral of tax payments, with consideration to the situation and sentiment of taxpayers who found it difficult to settle tax payments due to difficult financial situations brought on by the Covid-19 pandemic.

Furthermore, as taxation measures (refer to 4 below) under the emergency economic package, the payment deadlines of national taxes which will reach between February 2020 and end of January 2021, in case there was

a significant decline in revenue from business due to the impact of the Covid-19 pandemic, would be extended by a year and delinquent tax would be waived, while the presentation of collateral would also be waived (special provision for the deferral of tax payments).

With respect to the application of these deferral measures, without waiting for inquiries and consultation initiated by the taxpayers, the NTA is striving to ensure that those taxpayers that require the application of the measures be protected quickly by contacting taxpayers through various channels, such as counters at Tax Offices, explanatory sessions on policies at final tax filing sites, the NTA website, Certified Public Tax Accountants' Associations, public announcements made through relevant private organizations and industrial associations, and public relations activities initiated through newspaper and television advertisements.

In addition, in order to prevent congestion at the counters of Tax Offices, the NTA has established "National Tax Deferral Consultation Centers" within each Regional Taxation Bureau, and while responding to questions and consultations regarding the deferral policy over the phone, it is promoting an application for the deferral through digital applications via e-Tax and the postal service.

4. Taxation measures in the emergency economic package

Taking into account the grave impact of the Covid-19 pandemic has had on the economy of Japan, the government determined to implement urgent taxation measures for taxpayers experiencing difficulties due to the effect of measures to prevent the further spread of the pandemic (enforced on April 30, 2020).

The NTA has publicized the taxation measures in the emergency economic package through distribution of leaflets, etc. For further details, please refer to the NTA website (<https://www.nta.go.jp/taxes/shiraberu/kansensho/keizaitaisaku/index.htm> [in Japanese]).

The NTA has announced information mentioned 1 to 4 above is publicized in the form of FAQ on the NTA website (<https://www.nta.go.jp/taxes/shiraberu/kansensho/index.htm> [in Japanese]).

5. Measures for liquor business

As the competent authority in the liquor business, the NTA carried out the following measures for operators of liquor business.

- (1) While the food and drink industry has been subject to devastating impact from the Covid-19 pandemic, from the perspective of food and drink business operators earning income through takeaway alcoholic drinks, the NTA determined to issue licenses for liquor shop owners with a limited validity (6 months) through a quick and simple procedure (April 9, 2020).
- (2) In order to alleviate the shortage of ethanol required for hand sanitation, based on instructions from the Ministry of Health, Labour and Welfare stating that "high-concentrate ethanol products" could be used as an alternative for hand sanitation, the NTA designed to simplify and expedite the procedure required to obtain licenses to manufacture high-concentrate ethanol products. Specifically speaking, while the production of high-concentrate ethanol products through water injection to material alcohol would be comprehensively approved, the manufacturing license for the production of high-concentrate ethanol products, such as spirits, would be immediately issued (April 21, 2020). In addition, the Offices of Analysis and Brewing Technology located within each Regional Taxation Bureau offer technological support for production and analysis to manufacturers who seek to manufacture and sell high-concentrate ethanol products.
- (3) Among the liquor products applicable to "high-concentrate ethanol products" shipped after May 1, 2020, the NTA has determined that those that satisfy certain requirements will not be imposed any liquor tax.

Furthermore, once the pandemic has subsided, the NTA will be undertaking promotions (regional events aimed towards consumers) for the recovery and expansion of domestic consumption of liquor, supported by both the government and private sectors. The NTA is also determined to support business meetings and promotional activities, branding and sake brewery tourism to promote the recovery and expansion of export of liquor manufactured in Japan.

The NTA strives to provide important information concerning such measures undertaken by the government to support business operators. For further details, please refer to information available on the NTA website (<https://www.nta.go.jp/taxes/sake/kansensho/index.htm> [in Japanese]).

6. Experience of the National Tax College

In response to a request by the Cabinet Secretariat (Crisis Management section), the NTA made the dormitory of the National Tax College located on Wako Campus (Wako-City, Saitama Prefecture) available to accommodate those who returned from Wuhan, China, on chartered flights arranged by the Government of Japan, and passengers and crews who disembarked from a cruise vessel, to serve as accommodations during the health monitoring period from February 1 to March 16, 2020.

Once all the occupants were vacated, the dormitory was returned, following a thorough sanitization and cleaning process.

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

~ Strongly promote various measures in order to encourage the use of e-Tax and submitting all documents including attachment electrically ~

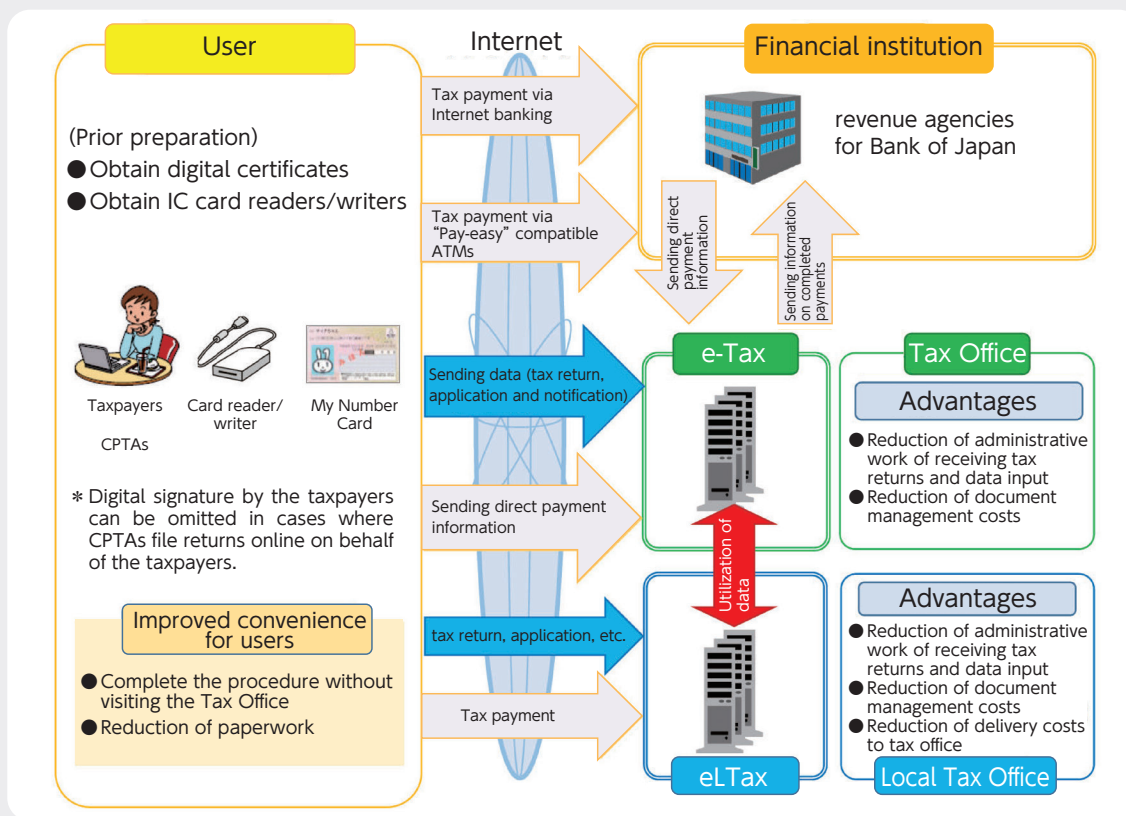
e-Tax enables users to perform procedures for filing income tax, corporation tax, consumption tax, inheritance tax, gift tax, stamp tax and liquor tax returns, as well as submitting statutory records and applying for blue return filing, etc. via the Internet without visiting the Tax Office. Tax payment 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.

The NTA thinks 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 addition, income tax return data (including financial statements and detailed descriptions) submitted through e-Tax are sent to the local government, and not only does it benefit the NTA, but the local government as well by increasing its efficiency.

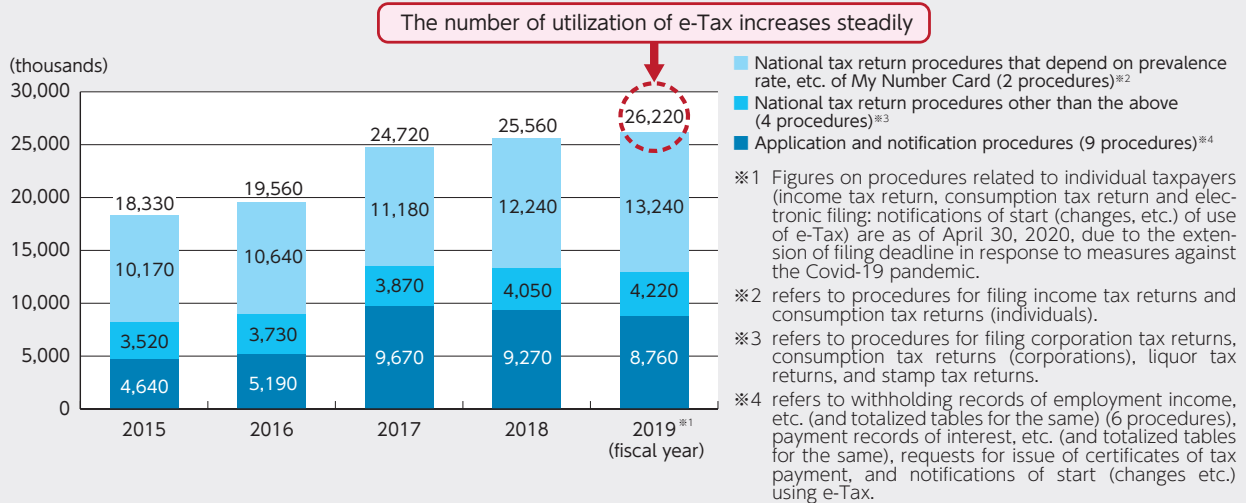
To this end, amid the computerization of the economic society further progressing, the NTA will enhance the convenience so as to enable taxpayers to perform procedures easily and accurately. At the same time, from the perspective of promoting cost reduction in the whole society and productivity improvement in corporations, the NTA will place emphasis on further promotion of e-Tax and submitting all documents including attachments electrically.

■ 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.

■ The number of utilizations of e-Tax



Column 4

Measures for the convenience of e-Tax

At the NTA, the following policies are introduced in order to further increase the convenience of e-Tax.

1. More convenient e-Tax use for corporation tax

In tandem with the mandatory requirement for large enterprises to file tax return online (refer to Column 5), the NTA designed an environment that for corporate taxpayers enables smooth online submission of filing data pertaining to corporation tax filing.

(1) Acceptance of various data formats [implemented after May 2019]

Parts of attached forms to corporation tax returns that require the breakdown, account heading breakdown statements and financial statements became eligible for the submission in the CSV form¹.

(2) Centralized destination for submission ("once only policy") [implemented in April 2020]

When financial statements are submitted through e-Tax in filing a corporation tax return, the submission of financial statements in filing a corporation enterprise tax return became no longer necessary due to coordination in information between national and local tax offices.

※There are additional measures that increase convenience of filing a corporation tax return through e-Tax. For details of each item, see the e-Tax website (<https://www.e-tax.nta.go.jp/hojin/gimuka/sesaku.htm> [in Japanese]).

2. e-Tax adaptation to inheritance tax filing [implemented in October 2019]

Inheritance tax return filing became eligible for filing through e-Tax.

3. Broadening the range of the type of attachments that may be sent through e-Tax [implemented in October 2019]

Attachments that may be sent through e-Tax were formerly limited to those stipulated by laws, but for inheritance tax returns, gift tax returns, and applications and notifications (related to corporation taxes), in addition to the documents required by laws, those which have been requested by tax offices are now eligible for submission as image files (PDF format).*

※Please refer to e-Tax website (<https://www.e-tax.nta.go.jp/tetsuzuki/tetsuzuki.htm#Link3> [in Japanese]) for specifics on attachments that may be submitted as image files.

1 CSV (Comma Separated Value) may be generated using a spreadsheet software, such as MS Excel, and refers to a text format file with high level of compatibility.

Large enterprises are required to file returns via e-Tax

As the use of ICT within economic society and the diversity of work styles have been increasing, it would be important to reduce costs for overall society and improve productivity of enterprises through promotions of seamless use of data, while preparing a convenient tax environment in which all taxpayers are able to file tax returns easily and accurately by furthering the use of ICT in tax related procedures.

From this perspective, submission of tax returns by large enterprises (for domestic enterprises only) were required to submit online, including attachments such as account heading breakdown statements, which applies to the business year beginning on or after April 1, 2020.

The NTA is committed to preparing adequate conditions to enable smooth online submission of filing data pertaining to corporate taxes (taxpayers other than large enterprises can also use this system).

■ Overview of the system

1. Subject tax category and procedure

Submission of final tax return of corporate tax and local corporate tax as well as consumption tax and local consumption tax

2. Large enterprises

- Corporate entities whose capital or contribution exceeds 100 million yen at the beginning of the business year or,
- Mutual companies, investment corporations and special purpose companies, national and local governments

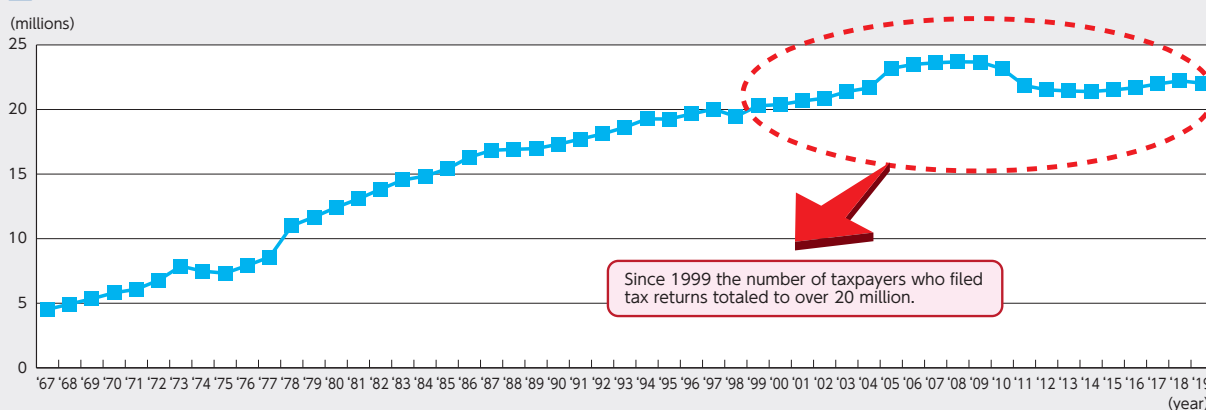
* For concrete details, see the e-Tax website (<https://www.e-tax.nta.go.jp/hojin/gimuka/index.htm> [in Japanese]).

3 Filing for tax return

~ The number of taxpayers who filed income tax returns totaled 22.04 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 a certain amount of medical expenses. 22.04 million people filed their income tax and special income tax for reconstruction for 2019; thus, one out of six residents filed tax returns. Of these, over 13.03 million people filed for refunds, comprising over half of the people filing tax returns.

■ Trend of the number of income tax return filers



- Responding to diversified needs of the taxpayers
- Provision of various services to enable effortless filing

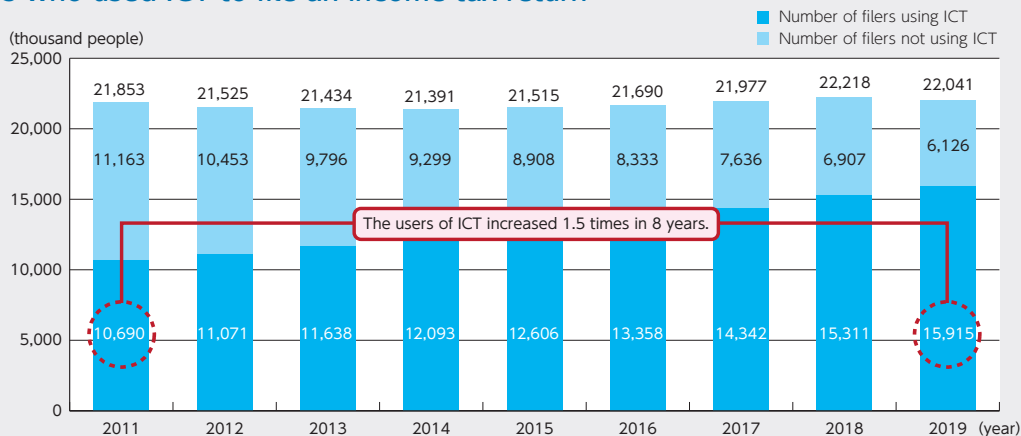
(1) Promotion of filing using ICT

~ Filing assistance on the website and e-Tax ~

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

※ 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



~ “The filing assistance on the NTA website” is now accessible from smartphones ~

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

In addition, taxpayers with employment income, miscellaneous income, or occasional income may prepare final income tax returns using a smartphone-friendly dedicated site.

Furthermore, data of the prepared tax returns may be transmitted via e-Tax either by the My Number Card method or by the ID and password method.

Filing an income tax return using a smartphone



A smartphone-friendly dedicated site

Taxpayers with employment income as well as those with pension income, miscellaneous income from a sideline, etc. may prepare income tax returns using the site designed and optimized for smartphone and tablet touchscreens (the dedicated site for smartphones).

※Dedicated site for smartphones is available for filing 2019 tax returns only.

Completing filing procedures on e-Tax

Taxpayers who possess a My Number Card and a smartphone compatible with the My Number Card may transmit data via e-Tax.

Those taxpayers who do not own a smartphone compatible with the My Number Card may also transmit data via e-Tax using an ID and password issued by the NTA after verifying their identity through a face-to-face meeting with a tax official.

○Taxpayers eligible for use of the dedicated site for smartphones

※The underlined parts were added in 2019.

Item	2019 tax return
Income	All types of employment incomes (one source with completed year-end adjustment, <u>one source with uncompleted year-end adjustment, income from two or more sources</u>), <u>miscellaneous incomes</u> (pension income, income from a sideline, etc.), <u>occasional incomes</u> (lump sum payout from a life insurance contract, etc.)
Income deduction	All income deductions
Tax credit	Special credit for contributions, etc. to political parties, etc., <u>reduction or exemption of income tax due to disasters</u>

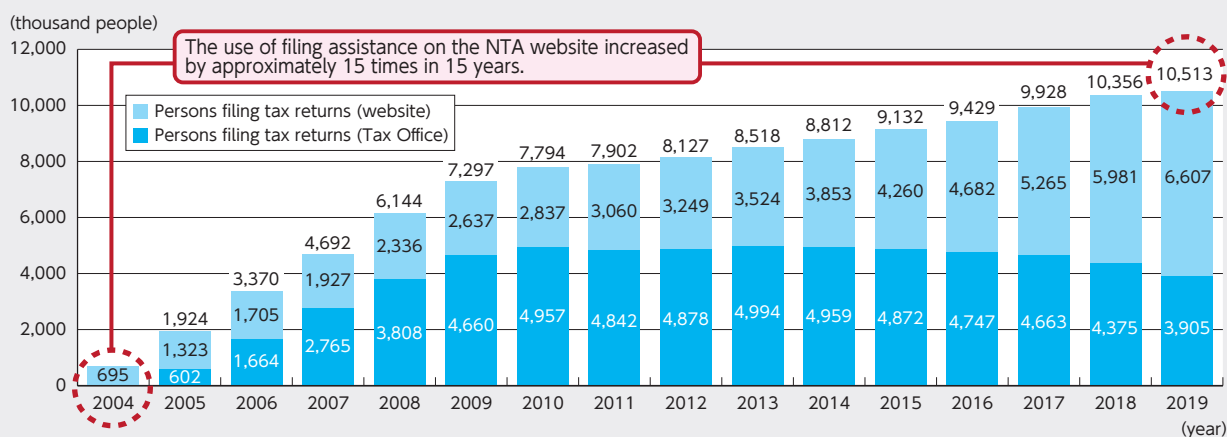
~ The number of users of “filing assistance on the website” is increasing each year ~

In the filing period for 2019, 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 10.51 million cases including those prepared via PCs set up at consultation sites. This comprised about 48% of all people who submitted returns.

Of the 10.51 million cases which were prepared using the filing assistance on the NTA website, approximately 1.08 million cases were prepared through smartphones.

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 before 2018 represent those submitted by the end of March of the following year and figures for 2019 represent those submitted by the end of April 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 Sundays and holidays during filing period ~

We received a comment from taxpayers which is “it’s a problem that filing consultations can only be handled on weekdays; I would like to receive the service even on closed days of the Tax Offices.” In response, the NTA receives tax returns and provides filing consultations on two Sundays and holidays during the tax return filing period at some Tax Offices, and at joint meeting sites outside the Tax Offices.

For the 2019 tax return filing period, the offices were open on February 24 and March 1, 2020, during which about 230,000 final income tax returns were filed.

Cooperation with the local government

In an effort to simplify taxpayer filing procedures, the NTA is working on achieving close cooperation between the NTA and the local government. On the system aspects, for example, in the case of income tax filings, there is no need to file for individual business tax and individual inhabitant tax, which are local taxes since the same information will be forwarded from the Tax Office to the local government.

Also, on the implementation aspects, data of income tax filing and others are mutually provided between national government and local public bodies. Such actively increased use of ICT is an effort to boost efficiency and reduce the costs of administrative operations of national government and local government.

4 Diversification of payment methods

~ Enhanced taxpayer services by offering various payment methods ~

To enhance taxpayer services, diverse payment methods have been introduced, such as Cashless payment such as online payment using Direct payment and Internet banking, Credit card payment and payment at convenience stores using a QR code, instead of paying at the counters of financial institutions and Tax Offices in cash with tax payment slips.

Taxpayers can also use transfer tax payments from a deposit account for 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 institutions which are 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, for example by requesting that non-compatible financial institutions become compatible. As of the end of March 2020, it was usable in 426 financial institutions.

Online tax payment using Internet banking, etc.

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

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

Payment with credit card

Credit card payment is a payment procedure by inputting necessary information on the "National Tax Credit Card Payment Site" on the Internet by PC or smartphone, etc.

The tax amount that can be paid with a credit card is less than 10 million yen and 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).

Payment at convenience stores

By creating a QR Code on a smartphone or PC at home that embodies information required to complete payment of taxes, taxpayers are able to pay taxes at the cash register of convenience stores after scanning the QR Code at kiosk terminals (i.e., "Loppi" and "FamiPort") located within the stores.

Taxpayers may also complete the payment at convenience stores using the bar coded payment slips issued by the jurisdictional Regional Taxation Bureau or Tax Office which are used to inform the taxpayer of scheduled income tax payments and finalized tax payment amounts prior to the payment deadline.

The maximum amount of taxes payable at convenience stores is 300,000 yen.

(Note) "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

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

(1) Outline of My Number System

My Number System is the social infrastructure to improve administrative efficiency, enhance public convenience, and realize a fairer and more just 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 Numbers) and Corporate Numbers.



(Source: Cabinet Office, Government of Japan website (<https://www.cao.go.jp/bangouseido/seido/index.html>) [in Japanese])

① My Number (Individual Number)

My Number is a 12-digit number which has been designated to anyone holding residential registration.

The use of My Number is limited to the procedures prescribed by law or municipal regulations in the fields of social security, taxation, and disaster response.

② Corporate Number

The corporate Number is a 13-digit number to each corporation, such as stock companies. The Corporate Number is available to anyone, unlike My Number.

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

~ Utilization and publicity in the national tax field ~

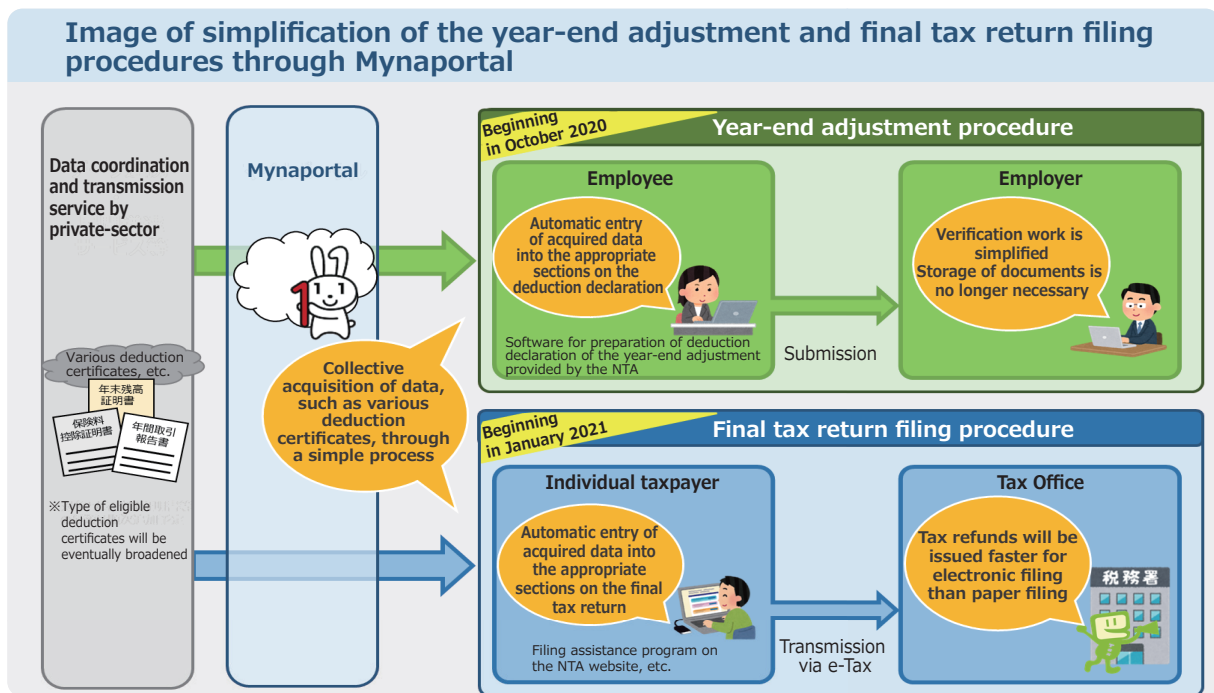
An individual or corporation has to fill in the Number (My Number or Corporate Number) on the filing form and statutory statements each time they submit to the tax authority. When My Number is provided, it is necessary to confirm the identity of individuals based on Act on the Use of Numbers to Identify 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.

In addition to creating a special website on the NTA website (<https://www.nta.go.jp/taxes/tetsuzuki/mynumberinfo/index.htm>) [in Japanese] which contains FAQ concerning My Number System with the aim to encourage its use, the NTA is actively promoting public relations through various media, such as through advertisements published on newspapers and the Internet.

~ Improving convenience for taxpayers ~

Taking the opportunity of the introduction of My Number System, attaching a copy of a certificate of residence can be omitted in a filing procedure procedure. In addition, starting January 2019, taxpayers who have transmitted a tax return of income tax, consumption tax, gift tax or inheritance tax via e-Tax can check the data saved in e-Tax's message box and processing status through the "Notice" function of Mynaportal.¹

The NTA is moving forward with preparations for a scheme that enables even simpler completion of year-end adjustments and final tax return filings by automatically transferring data, such as deduction certificates issued by insurance companies, which are to be collectively obtained through Mynaportal and automatically completing the form.



~ Recognizing income more properly and efficiently ~

In the field of national taxes, as numbers will be required on documents such as tax return form and statutory statements, the NTA expects that aggregation of data of statutory statements for individuals and matching of those data with the tax return form will become more accurate and efficient, and, in turn, income will be recognized more accurately. Therefore, we believe that the number will lead to more proper and fair taxation.

(3) Promotion of popularization of My Number Card

Based on "Policy Concerning Popularization of My Number Card and Promoting the Use of My Number Card" (decision by the Digital Government Cabinet meeting held on June 4, 2019) which is the policy of the government as a whole, the NTA is proactively engaging in activities to promote My Number Card, such as by installing a "My Number Card Application Corner" through cooperation with local governments, not only at final tax return filing sites, but also through various occasions, such as the "Think About Tax" week.

¹ Mynaportal refers to an online site operated by the government which enables users to complete various administrative procedures in one stop and check notifications from government organizations.

(4) Actions as an entity assigning Corporate Numbers

~ Assigning Corporate Numbers ~

The Corporate Number is designated to ① corporations registered for incorporation, such as stock companies, ② national government organizations, ③ local public entities, or ④ corporations or associations without juridical personality, etc., or other than those listed in ① through ③, those submitted a “Notification of Establishment of a Salary-Paying Office,” etc. The NTA designates a Corporate Number based on the registration information provided by the Ministry of Justice or notification submitted to the Tax Office, and also sends the Notification of Corporate Number.

The NTA publishes the three types of basic information ((i) trade name or name, (ii) address of head office or principal place of business, and (iii) Corporate Number) of the corporation which is designated a Corporate Number on the Internet (the NTA Corporate Number Publication Site at <https://www.houjinbangou.nta.go.jp> [in Japanese]).

※ Corporations and associations without juridical personality other than those mentioned above may still be designated a Corporate Number by notifying the NTA Commissioner if they meet certain requirements.

~ Promoting the utilization of the Corporate Number ~

The Corporate 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 and to encourage the utilization of the system by national and local administrative agencies and private organizations.

~ Initiatives for convenience of the NTA Corporate Number Publication Site ~

The three types of basic corporate information may be searched for on the NTA Corporate Number Publication Site, referencing the “Corporate Number,” “trade name or name,” or “address.” Also, the site offers Data Download and Web-API¹ function in order to enable users’ ease-of-use of information such as Corporate Number.

In April 2018, the NTA started to publish furigana (Japanese pronunciation) of corporations’ trade names or names in order to make it easier for corporations to utilize these information as digitization and networks continue to expand. Additionally, in December 2018, functions were added with the aim to enhance reliability of data provided, such as those to remove corporations whose registered addresses of head offices are indicated in a form that no longer exists due to abolishment of addresses for reason of city-lot readjustment, etc.

In regards to publication of the three types of basic information on the corporations, they had been published after the NTA notified the corporation of the designated Corporate Number, but from January 2020, they are now published immediately after a Corporate Number is designated.

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

The NTA was registered as an issuing agency with the United Nations (UN) and the International Organization for Standardization (ISO), and has obtained “issuing agency codes” in 2015. Corporate Numbers can be used as a unique gratuitous corporation code also in international transactions when issuing agency code and corporation code (Corporate Number) are used in combination.

As there are increasing opportunities to use corporation names and addresses in English, the English version of the NTA Corporate Number Publication Site (<https://www.houjin-bangou.nta.go.jp/en/>) was established in April 2017, and corporations’ trade names or names and the addresses of head offices or principle places of business in English are published upon requests from corporations.

¹ Web-API (Application Programming Interface) refers to an interface that connects different systems in order to exchange information that meets specified criteria by sending simple requests through the Internet from a system constructed by the user.

6 Promoting digitization of administrative services

~ Towards a Digital Government¹ ~

As an undertaking of the entire government, with the aim to realize a society in which its citizens are able to live with a sense of security and reassurance and experience prosperity, the “Declaration to be the World’s Most Advanced IT Nation: Basic Plan for the Advancement of Public and Private Sector Data Utilization” was adopted by the Cabinet in June 2019, which compiled policies with priority towards an inclusive “Digital Society,” in which every single individual is able to benefit from digital technology. Furthermore, the “Digital Government Action Plan,” which clearly outlines initiatives to promote administration utilizing digital technology, was adopted by the Cabinet in December 2019.

In addition, the environment surrounding tax administration is evolving in a significant manner, with increasingly complex and sophisticated processes coupled with economic transactions increasing in complexity and reach accelerated by the increasing use of ICT and globalization of the economic society.

Keeping in mind these numerous plans and changes in the environment, the NTA is determined to move forward with its BPR (Business Process Reengineering)² efforts to reduce the burden on users and enhance efficiency and grade of administrative operations from the perspective of citizens and businesses.

In particular, the NTA is promoting online processing and omission of attachments, as well as examination of the realization of online and one stop completion³ of “Social Insurance and Tax Related Process Executed by Corporations for Its Employees” and “Process to Establish Corporations” in accordance with the process guideline of the overall government as a member of related government agencies.

Ensuring stable and reliable ICT system and information security

Since 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.

Also, 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.

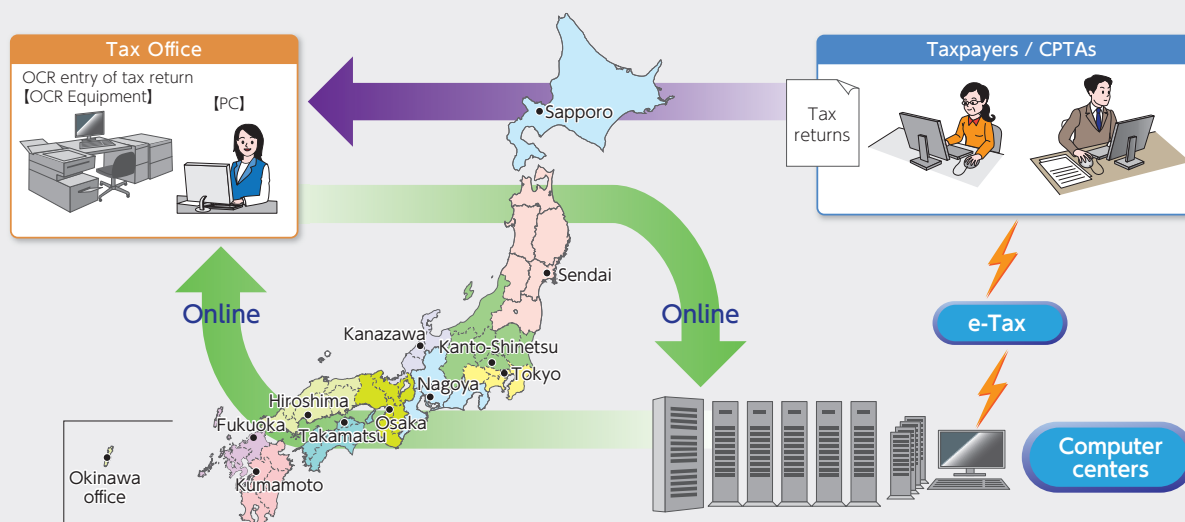
At the computer center which stores data for e-Tax and the KSK System, the NTA built an information security management system (ISMS)⁴ which complies with international standards, and in 2007, obtained certification based on the ISMS compliance evaluation system (certification based on ISO/IEC27001: 2005 and JISQ27001: 2006⁵), and regularly renews the certification afterward.

Furthermore, in 2020, the computer center which stores data for the system that designates the Corporate Number also acquired the same certification.

- 1 “Digital Government” refers to the initiative of the entire government to review the state of the administration on the premise of digitization, while placing priority on enhancing convenience for citizens and businesses.
- 2 “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.
- 3 The online and one-stop completion of “Social Insurance and Tax Related Process Executed by Corporations for Its Employees” refers to the initiative to bring social insurance and tax related procedures carried out by corporations (employers) that accompany life determining events, such as hiring and retirement of employees that used to require submission of documents to each administrative organizations, in an online and one-stop manner through the use of Mynportal. The initiative aims to construct a scheme in the future which will enable corporations to complete submission of various information to administrative organizations using a cloud service.
The online and one-stop completion of “Process to Establish Corporations” refers to the initiative to realize a service which enables a user to complete various procedures through the Mynportal online in a one-stop manner, which would otherwise require submission of documents to each administrative organization when setting up a corporation.
- 4 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, completeness and usability of information assets which should be protected.
- 5 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.

Kokuzei Sogo Kanri (KSK) System

The KSK System, which links all Regional Taxation Bureaus and Tax Offices, is a computer system to facilitate sophisticated and efficient administration by centrally managing information across the area and the type of tax.



Systems upgrade (development of new system)

While coping with changes surrounding the tax administration, aiming towards realization of the “Digital Government” being undertaken by the entire government and smart tax administration, set as a goal in the “Future Vision of Tax Administration” published in June 2017 by the NTA, it is imperative to upgrade the information systems for tax administration, such as the KSK (Kokuzei Sogo Kanri) System which is the core system of tax administration.

For this purpose, the NTA has begun work on development of a new system, scheduled to begin operations during FY2026.

Strict Management of Information

The NTA retains various information, such as income data of individuals, and strict management of information of personal information and taxpayer information is required, since should these information leak out, cooperation from taxpayers cannot be expected, disrupting smooth execution of examinations and collection of taxes, etc.

For this reason, should a tax official leak confidential information obtained through a tax examination, etc., criminal punishment based on tax laws (up to two years in prison or a fine of up to 1 million yen) that is more serious than penalty defined by the National Public Servant Law (up to a year in prison or a fine of up to 500,000 yen) will be sentenced.

In terms of tax officials, in addition to the regularly scheduled training on information security which they are required to attend, they are also informed that certain locations, such as storefronts and entrances, be avoided for questionings during an examination in consideration of the taxpayer’s privacy.

Since the NTA handles Specific Personal Information (personal information which contains My Number), with respect to the aim of related laws and regulations, such as the My Number Law, it strives to exercise control of taxpayer information held by the NTA in a strict manner, such as through regular inspection of the condition in which administrative documents are archived and managed.

7 Proper withholding tax system operation

~ Providing 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 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 a year-end adjustment, distributing guidebooks and pamphlets, etc.

8 Actions for the amended Consumption Tax Act

(1) The reduced tax rate system and the method of storing eligible invoices

The NTA is working to provide information and consultation, while maintaining close communication and cooperation with relevant ministries and private organizations, so that business operators are able to fully understand the reduced tax rate system for consumption tax and method for storing eligible invoices (so-called invoice system).

① Outline of the reduced tax rate system

At the same time as consumption tax was increased to 10% in October 2019, the “reduced tax rate system” for consumption tax which set the tax rate for sales of food and beverage (excluding alcoholic drinks and dining out) at 8% was implemented with the aim to reduce its impact on daily living costs.

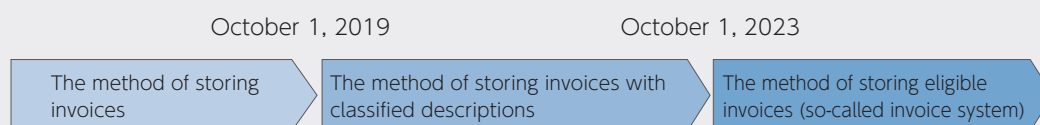
■ Tax rates and items subject to the reduced tax rate

Consumption tax rates	The standard tax rate is 10% (consumption tax rate of 7.8% and local consumption tax rate of 2.2%) The reduced tax rate is 8% (consumption tax rate of 6.24% and local consumption tax rate of 1.76%)
Items subject to the reduced tax rate	① Food and drink excluding alcoholic drink and dining out ② Newspapers issued twice a week or more (those based on subscriptions)

② Outline of the method of storing eligible invoices

Starting October 2023, the method of storing eligible invoices (so-called invoice system) will be introduced. As a general rule, taxable businesses will be required to store ledgers and invoices, such as “eligible invoices” (invoices) in order to benefit from purchase tax credits.

■ Schedule of changing the method of purchase tax credit



(2) Measures for smooth and appropriate shifting of consumption taxes

~ Provision of consultation on price shifting and guidance to liquor business operators ~

Consumption tax is a tax which is supposed to be eventually incurred by consumers through shifting onto the price of the product.

Therefore, it is important that business operators are able to shift consumption taxes onto the product price in a smooth and appropriate manner, and the NTA is undertaking the following actions to ensure its fulfillment.

- Consultation and collection of information concerning the shifting of consumption taxes at the “revised consumption tax systems’ consultation desk” at Tax Offices and an existing telephone counseling center
- As the competent authority of the liquor industry, in addition to providing consultation concerning liquor businesses and attending to collection of information, providing necessary guidance against refusals to shift consumption taxes

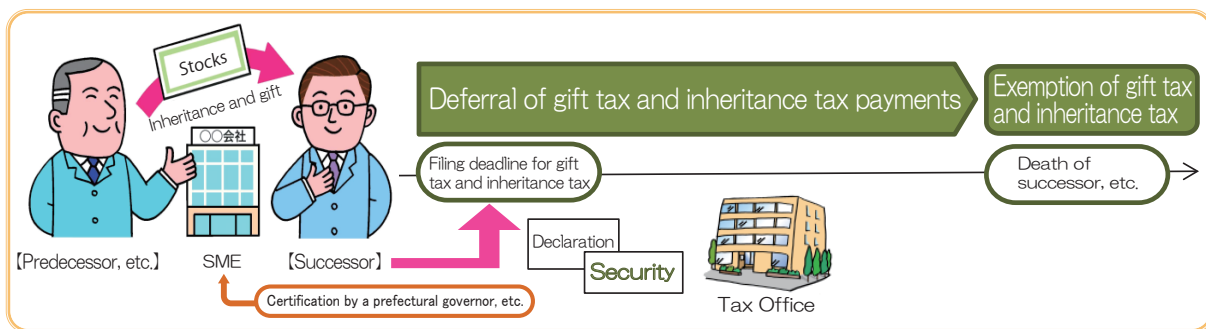
Corresponding to the Tax Measure for the Succession to Businesses

1. Outline of the revision

The Tax Measure for the Succession to Businesses is a system in which payment of gift tax or inheritance tax is deferred under a certain set of conditions, and in case the successor is deceased, payment of these taxes are waived for unlisted stocks or business assets that has been acquired by a successor to a company or individual business. Its application must be certified by a prefectural governor and is based on the Act on Facilitation of Succession of Management of Small and Medium Sized Enterprises.

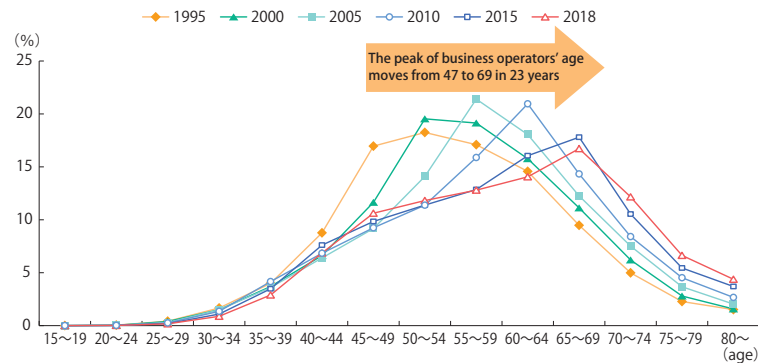
Concerning this Tax Measure for the Succession to Businesses, under the FY2018 tax reform, in order to promote intensive subrogation as the aging of small and medium enterprise proprietors progresses (see “Reference”), the measure concerning unlisted stocks underwent significant enhancement, and under the FY2019 tax reform, a measure to newly encompass business assets of individuals was created.

[Outline of the Tax Measure for the Succession to Businesses concerning shares of unlisted companies]



(Reference) Aging of Small and Medium Enterprise Proprietors

According to the 2019 White Paper on Small and Medium Enterprises in Japan, the aging of proprietors is progressing (refer to graph on right), and going forward, while it is predicted that the number of proprietors who retire due to age will increase, it is considered important for new leaders of proprietors to enter into business and promising businesses and management resources to be passed on to the next generation in order to sustain and grow the regional society, let alone the economy of Japan.



2. Main priorities

As described in the “Reference” section above, in the context of increasing societal concern regarding the issue of aging of small and medium enterprise proprietors, the Tax Measure for the Succession to Businesses entails various measures, such as information and public relations, so that taxpayers may carry out the declaration and payment of taxes equipped with the proper understanding of the content of the revision of the tax system, as well as the overall scheme of the system and declaration procedures.

(1) Enhancing the content of NTA website

The NTA has opened on its website a section titled, “Special Feature on the Tax Measure for the Succession to Businesses,” (<https://www.nta.go.jp/publication/pamph/jigyoshokei/indx.htm> [in Japanese]) which compiles information related to the Tax Measure for the Succession to Businesses. Specifically speaking, it contains reference for taxpayers, such as a pamphlet which illustrates the Tax Measure for the Succession to Businesses in an easy-to-understand manner and common Q&A’s.

(2) Dispatch of instructors to various seminars and training sessions

Regional Taxation Bureaus and Tax Offices are proactively responding to requests for instructors to seminars and training sessions on the Tax Measure for the Succession to Businesses that are hosted by related nongovernment organizations, etc.

Instructors have been dispatched to over 700 occasions from Regional Taxation Bureaus and Tax Offices between April 2018 and December 2019.

9 Cooperation with private organizations

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

The NTA is implementing public announcement and public relation actively to convey information on taxes to taxpayers accurately, through various explanatory meetings etc., cooperating with relevant private organizations.

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 the "Think About Tax" week.

These relevant private organizations are playing a large role in achieving a proper self-assessment system and in spreading knowledge about taxes.

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 1,800 associations nationwide, and the total number of members is about 580,000 (as of April 2020). 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 <https://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 481 corporations associations as incorporated associations, and membership stands at about 760,000 corporations (as of December 2019). 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 with a self check list." 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 487 associations nationwide with about 91,000 members (as of April 2019). 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 consumption tax and to prevent tax delinquency. In addition, they are also coordinating "tax slogan" (supported by the NTA). For further details, please visit the website of the National Federation of Indirect Tax Associations at <https://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 18,000 associations (as of March 2019). 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 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 140,000 members belong to these associations (as of March 2019). 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 <https://www.nouzeikyokai.or.jp> (in Japanese).