

NATIONAL TAX AGENCY REPORT 2024



NATIONAL TAX AGENCY

From the Commissioner

Our hearts go out to all the victims of the 2024 Noto Peninsula Earthquake.

Since the occurrence of the Earthquake, various recovery and reconstruction activities have been conducted using whole resources of the government. As part of that, the NTA extended the deadline for submitting tax returns and paying taxes, considering the situation of all disaster-stricken taxpayers; also, we have proactively made dissemination and PR efforts concerning the disaster-related tax measures and procedures. Going forward, we will keep carefully performing our services from the standpoint of the disaster-stricken taxpayers.

Mission of the NTA is to “realize spontaneous fulfillment of the obligations to pay taxes by taxpayers appropriately and smoothly.” The environment surrounding the tax administration is changing significantly due to the operations getting increasingly more complicated and more difficult, in line with globalization and digitalization of the economic society. Given that, to properly perform the mission, we believe it important to promote “securing adequate tax filing” and “correction of inappropriate filing” as the two sides of the same coin: the former is promoted through adequate taxpayer services, efficient and effective processing of tax returns and administrative guidance that urges spontaneous reviews of simple errors; and the latter is promoted through examinations and collection efforts.

“Digital transformation for tax administration” being promoted by the NTA is one of the initiatives that constitute the base for such grand direction. To ensure the perspective of “securing adequate tax filing,” we will comprehensively review the various taxpayer services from the standpoint of taxpayers (to improve the convenience of e-Tax; improve our consultation quality and information provision, etc.), towards realization of our future vision for a “society where all tax procedures can be performed without visiting a Tax Office.” For that, we are aiming to establish an environment where necessary procedures can be pursued simply using a digital tool being used daily such as a smartphone. In the future, e-Tax and cashless payment will become increasingly more convenient, so we would appreciate your using them.

Also, to ensure the perspective of “correction of inappropriate filing,” while protecting the rights and benefits of taxpayers, we are striving to ensure proper and fair taxation and tax collection through using our whole organizational resources to take rigorous measures against malicious taxpayers, etc., not to make the taxpayers who have properly submitted tax returns and paid taxes have a sense of unfairness. Particularly addressing fraudulent refunds of consumption tax, international tax avoidance, etc. as priority issues, we are proactively promoting the following: higher efficiency in and sophistication of taxation and tax collection using various data; in-depth examinations and collection efforts through

collaborating and cooperating with foreign tax authorities, etc.

Regarding the Invoice System which started in October 2023, we have been promoting various measures such as dissemination of the system and holding a range of briefing sessions, while receiving cooperation from various fronts such as CPTAs associations, related private organizations, business operator associations, etc.

In addition, for the first final return filing for consumption tax after the start of the system, we implemented necessary dissemination and PR activities as well as expanded relevant consultation capacity, to enable the business operators (including those entities that newly became taxable business operators after the registration as Qualified Invoice Issuer) to smoothly pursue declaration procedures.

Going forward, we will keep performing carefully and cordially from the standpoint of business operators, towards the system smoothly taking root.

Regarding income tax for 2024, special deduction of a flat amount for income tax (flat-amount tax cut) is being implemented.

For that, the NTA has been taking various measures as follows: set a special corner for flat-amount tax cut on the NTA website; posted various pamphlets and Q&A to the corner; expanded consultation capacity; conducted briefing sessions for tax withholding agents, etc.

We will keep endeavoring to perform careful dissemination and PR activities about the flat-amount tax cut.

To fulfill the NTA's mission, we understand that it is indispensable to secure taxpayer understanding of the tax administration and trust in us. Therefore, the NTA is using its website and media release materials to communicate on our various challenges, action policies, and specific measures.

This "National Tax Agency Report 2024" is one of such initiatives, where our activities and relevant topics in the year are explained using statistical materials, figures, photos, etc.

We sincerely hope that this report could serve as a tool to deepen all taxpayers' understanding of the tax administration.

June 2024

住澤 整

Hitoshi Sumisawa

Commissioner of the National Tax Agency, Japan

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※The fiscal year ranges from April 1 through March 31 of the following year (i.e. fiscal year 2023: April 1, 2023 to March 31, 2024), while the operation year is from July 1 through June 30 of the following year (i.e. operation year 2023: July 1, 2023 to June 30, 2024).

The NTA was organized in 1949 as an external organization of the Ministry of Finance. The NTA supervises 12 Regional Taxation Bureaus (including the Okinawa Regional Taxation Office, and the same applies hereinafter) and 524 Tax Offices throughout Japan.

There is also the National Tax College which trains tax officials, while the National Tax Tribunal serves as a special body engaged in examining requests for review from taxpayers.

1 Organizational Philosophy of the NTA

The Mission of the NTA is “to help taxpayers properly and smoothly fulfill their tax duties.”

In order for the NTA to fulfill the mission, our duty to carry out is “Realizing proper and fair taxation and collection of internal taxes,” “Sound development of the liquor business,” and “Ensuring proper administration of services by Certified Public Tax Accountants (CPTAs),” provided by Article 19 of the Act for Establishment of the Ministry of Finance.

In order for the NTA to fulfill the “mission” and “duties,” we compiled “future vision as an organization,” which indicates what organization we aim for while managing the organization, as well as “codes of conduct,” which indicates important standards and values for each tax official to perform duties. These are declared to tax officials and announced to the public as the “Organizational Philosophy of the NTA.”



NTA

Organizational philosophy of the NTA

Mission

To help taxpayers properly and smoothly fulfill their tax duties.

Duty

- Realizing proper and fair taxation and collection of internal taxes
- Sound development of the liquor business
- Ensuring proper administration of services by Certified Public Tax Accountants (CPTAs)

Future vision as an organization

An organization that supports the nation's finance with trust

- An organization that flexibly copes with changes in the economic society, improves taxpayer convenience and continues to progress.
- An organization that makes taxation and collection more efficient and sophisticated and conducts strict and appropriate examinations and disposition for delinquent tax while cooperating with a wide variety of relevant persons.
- An organization that is vibrant and open, respects the diversity of each official and provides high performance as a team.

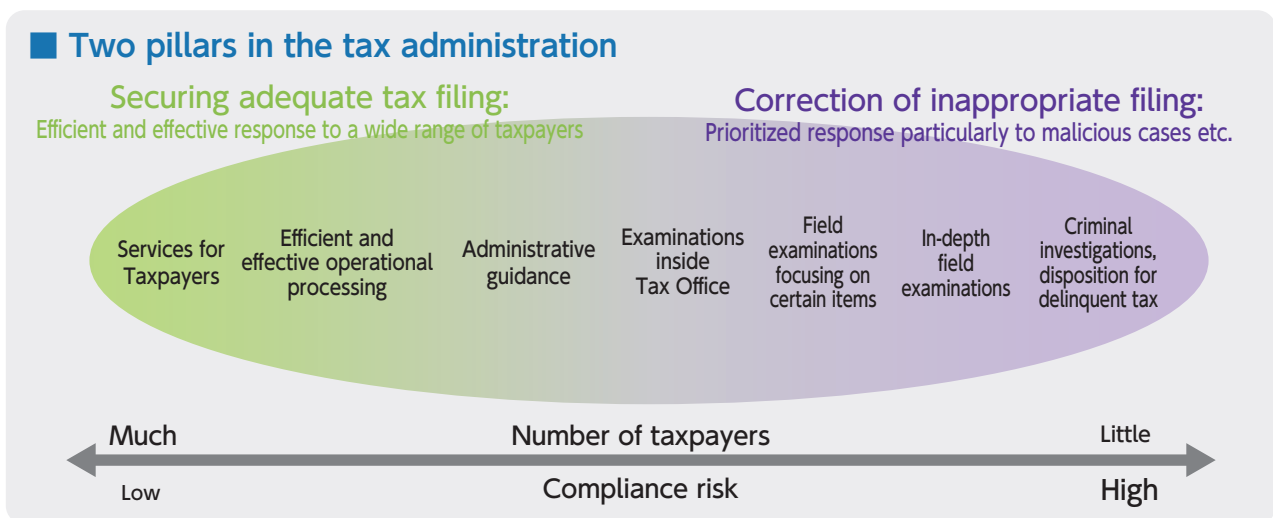
Codes of conduct

Tax professionals who take on a difficult challenge holding the mission to heart

- Keep secrets associated with duties and maintain disciplines. Never forgive frauds and carry out duties in a fair and honest manner.
- Constantly review duties with a sense of participation and challenging spirit and make administrative duties more efficient and sophisticated.
- Strive to acquire expertise and skills and demonstrate our abilities to the fullest.

2 Thoughts on management of tax administration

Given that the tax administration is getting increasingly more complicated and more difficult, to appropriately fulfill the afore-mentioned mission and duties of ours, we believe it important to perform the operations efficiently and effectively, by using digital technology and based on taxpayer compliance risk etc, while recognizing the following as the two pillars in the tax administration: ① “Securing adequate tax filing” through simple contacts with a wide range of taxpayers for administrative guidance (using a document or over the phone) and through enhanced taxpayer services; and ② “Correction of inappropriate filing” through executing rigorous examinations and coercive collection for delinquent taxes particularly targeting malicious taxpayers.



Therefore, we will pursue the following initiatives.

NTA Initiatives

(1) Enhancement of services for taxpayers

- Work to provide an excellent means for filing and payment using ICT, such as e-Tax (Online National Tax Return Filing and Tax Payment System) and filing assistance on the NTA website.
- Provide the necessary information needed for filing via NTA websites etc. so that taxpayers can correctly file and pay their taxes themselves.
- Work to improve an environment and provide support to enhance tax education, in cooperation with the relevant ministries, agencies, educators and private organizations.
- Respond to advance inquiries and advance pricing arrangement of transfer pricing taxation, so the taxpayer can predict in advance the tax treatment of its own economic activities.

(2) Promotion of administrative work efficiency and enhancement of organizational foundations

- To appropriately perform the NTA's duties under the severe fiscal conditions, work to secure the necessary structure, staff and budgets, appropriately allocate them, and take the taxpayers viewpoint in working to improve administrative efficiency and reduce costs.
- Constantly review to simplify and improve efficiency, for example by digitalization of clerical processes. For the income tax return, focus on encouraging use of e-Tax which contributes to enhanced taxpayer convenience.
- Thoroughly control administrative documents and information.
- Accurately assign personnel corresponding to their experience and abilities, while paying attention to hiring and promoting female staff. To enhance needed specialized knowledge, provide guidance and development measures such as training.

(3) Proper and fair taxation and collection and remedy for taxpayer rights

- Take a strict stance against malicious taxpayers, while protecting taxpayer rights and interests.
- Upon dispositions for taxation and delinquent tax, and then accurately confirm the facts and apply the laws and regulations.
- Systematically work in response to increasingly complex economic transactions etc. Work to enhance the system to collect information, and accurately prioritize issues such as response to the increasing diversity of asset investments and fraudulent refunds for consumption tax.
- For international transactions, exchange information with foreign tax authorities based on tax treaties, and take strict actions towards tax avoidance etc., in which taxation problems are found.
- Promote the enhancement of corporate governance on tax matters through exchanging opinions with executive officers of large enterprises etc. At the same time, reallocate the volume of examination duties to corporations with a high necessity of examination from those judged that the necessity of examination is low including the situation of corporate governance.
- Achieve proper and speedy processing of a request for review, as well as develop environment for more user-friendly request for review system.

(4) Proper management of liquor administration

- As the competent agency in liquor business to aim at the preservation of liquor tax and the sound development of liquor business, the NTA endeavors to ensure the proper enforcement of laws and strengthens the promotion of liquor business (especially promoting exports) from the comprehensive perspective that covers consumers and the whole liquor industry while coordinating and cooperating with related government offices, organizations, etc.
- Make efforts to cultivate overseas markets through distributing information globally, holding international negotiations, etc., to promote the establishment of brands through spreading the use of Geographical Indications (GI), to provide technical assistance to liquor manufacturers etc. and to ensure the safety of liquor among others.
- To ensure fair trade of liquor, conduct a survey of liquor business operators to check the actual state of trading of liquor etc. If a transaction that does not comply with “the Standards for the Fair Trade of Liquor” is detected, we take strict actions including issuing instructions.
- To respond to social requirements, such as countermeasures against health problems caused by alcohol intake and promotion of recycling resources, increase the publicity of the ban on selling liquor to people younger than the age of 20 and recycle of liquor containers etc.

(5) Proper administration of services by Certified Public Tax Accountants (CPTAs)

- Endeavor to coordinate and cooperate with Certified Public Tax Accountants’ Associations as organizations for improving the work of CPTAs, because CPTAs play important roles in the proper and smooth realization of the self-assessment system.
- Work to prevent violations of the Certified Public Tax Accountant Act by CPTAs etc. At the same time, take strict action against CPTAs etc. who violate the Certified Public Tax Accountant Act and so-called “fake CPTAs” by applying disciplinary actions and filing accusations seeking prosecution.

(6) Results evaluation (Evaluation of Policies) and improvement of tax administration

- Provide easily understood information on issues the NTA should work on, on its policy initiatives and its various measures, and on its evaluations and verifications of the results of their implementation. In addition, work to improve tax administration, based on the evaluations and verifications of the results of its implementation.

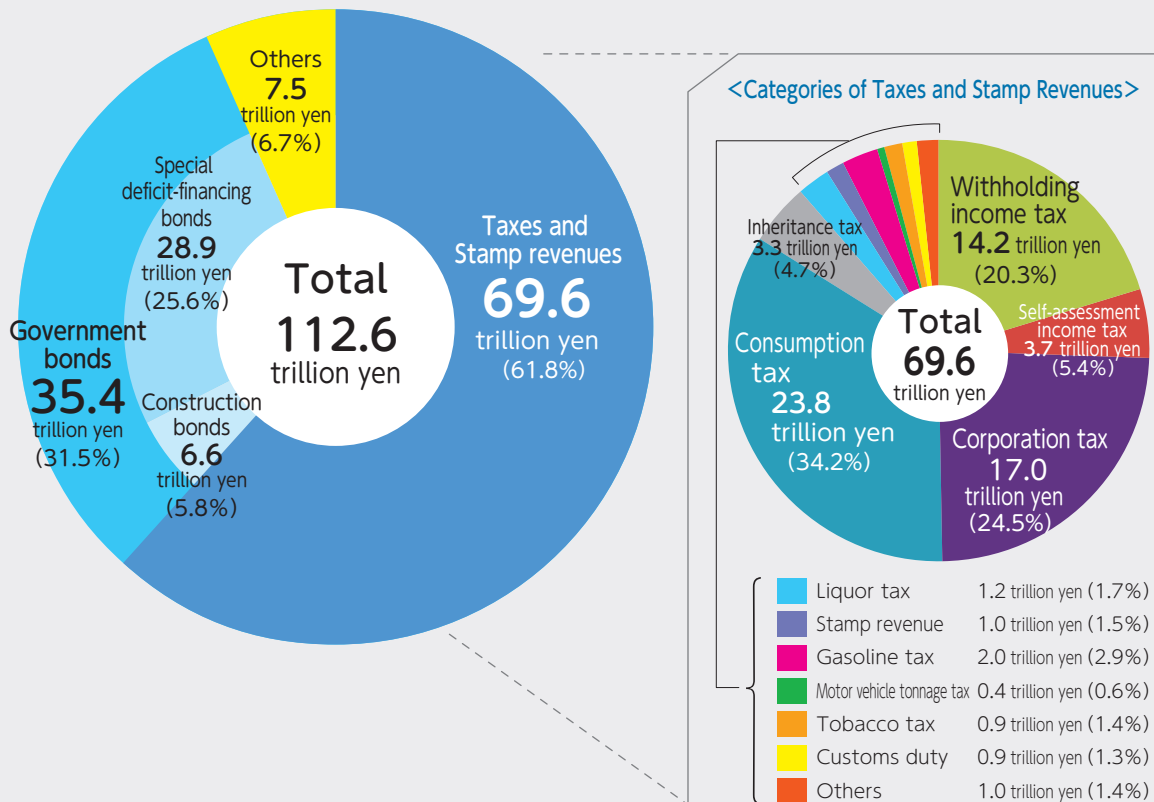
3 Overview of the national tax organization

(1) National revenue and taxes

National revenue (initial budget for general account revenues) for FY2024 stands at 112,571.7 billion yen, of which 69,608 billion yen is from taxes and stamp revenues.

The income tax, corporation tax, and consumption tax account for about 80% of tax revenues.

■ National revenue (FY2024 general account revenues [initial budget])



※ 1 Government bonds are revenues generated by construction bonds to finance public project-related expenditures and special deficit financing bonds issued to compensate for the revenue shortfalls. All are debts which are to be repaid in the future.

※ 2 The total amount of each item and the amount indicated as "Total" do not exactly match, due to rounding of fractional figures.

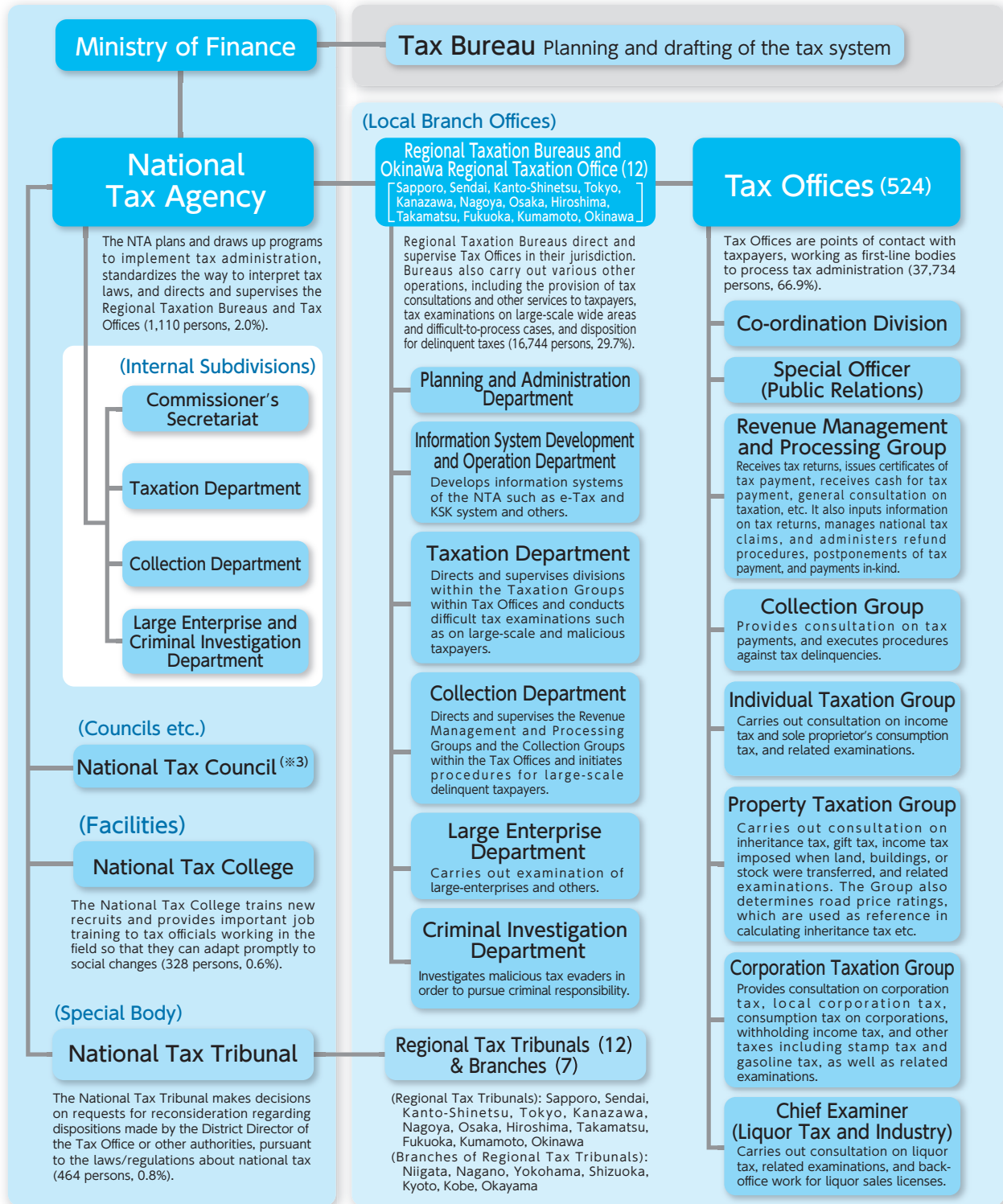
※ 3 Please refer to "Thinking About Japan's National Finance" available on the official website of the Ministry of Finance (<https://www.mof.go.jp/zaisei/index.htm> [in Japanese]) concerning national expenditures.

(2) NTA budget

The NTA initial budget in FY2024 stands at 617 billion yen, with salary costs amounting to 538.1 billion yen and general expenses 78.9 billion yen.

(3) Organizational structure and number of personnel of the NTA

The NTA supervises 12 Regional Taxation Bureaus and 524 Tax Offices throughout Japan to process national tax administration. Also, the authorized capacity for manpower of the NTA is 56,380 persons for FY2024.^(※1, ※2)



※1 The headcount and percentage indicated in each department represents the prescribed number of personnel, and its percentage of the overall number of personnel in the NTA (FY2024).

※2 The prescribed number of personnel of 37,734 persons for Tax Offices includes the prescribed quota for 220 people (0.4%) to promote employment of the challenged as well as the temporary quota for 381 people (0.7%) with 1-year time limit, which is a special measure to mitigate the impact on new hires from the delayed retirement age for government officials.

※3 The National Tax Council addresses the following: ① deliberation of cases in which the NTA Commissioner does not recognize the opinion of the Director-General of the National Tax Tribunal as reasonable, where the Director-General of the National Tax Tribunal determines the case by interpreting laws differently from the notification issued by the NTA Commissioner; ② implementation of CPTAs examination and decision on the disciplinary actions applied to CPTAs etc.; and ③ deliberations on the establishment of labeling standards for liquor, and other matters.

The NTA released “Digital Transformation for Tax Administration: Future Vision of Tax Administration 2.0” (<https://www.nta.go.jp/about/introduction/torikumi/digitaltransformation/index.htm> [in Japanese]) (hereinafter “Future Vision 2.0”) in June 2021, to clarify our policy for handling the “fundamental reviews of national tax-related procedures and TO BE status of relevant operations using digital (digital transformation for tax administration)” (hereinafter “DX”).

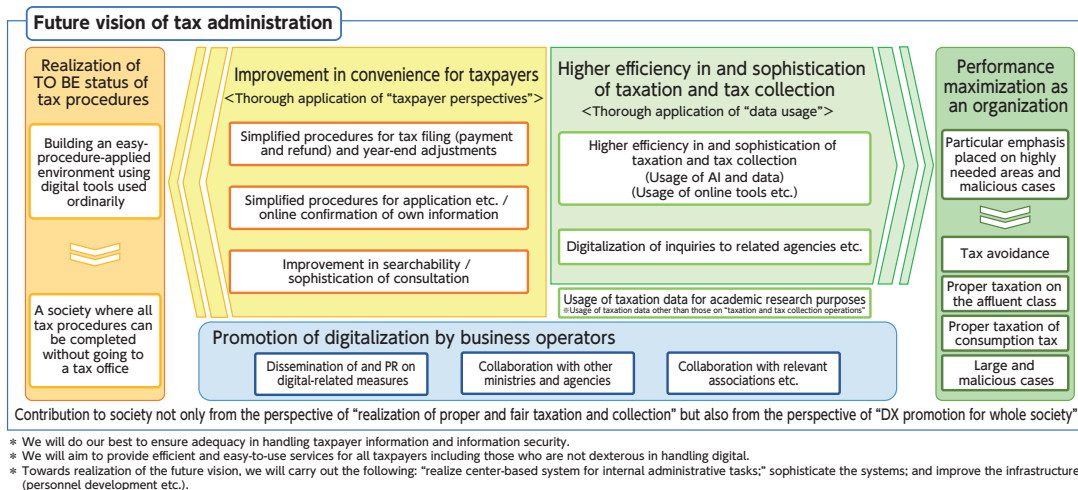
In June 2023, Future Vision 2.0 was revised, for demonstrating that we will further promote DX for tax administration, in accordance with three pillars: that is, two earlier pillars (“improvement in convenience for taxpayers” and “higher efficiency in and sophistication of taxation and tax collection”) plus a new pillar “promotion of digitalization by business operators” (Digital Transformation for Tax Administration: Future Vision of Tax Administration 2023).

Digital Transformation for Tax Administration
: Future Vision of Tax Administration 2023
[in Japanese]



Digital Transformation for Tax Administration: Future Vision of Tax Administration 2023

- ◆ We will promote digital transformation for tax administration (that is, fundamental reviews of national tax-related procedures and TO BE status of operations) such as digitalization of tax procedures and data usage in operations.
- ◆ We will promote DX for whole society starting from taxation, through facilitating digitalization for operations of business operators.
 - ➔ We will contribute to society from the perspective of “DX promotion for whole society” as well, in addition to the perspective of “realization of proper and fair taxation and collection.”



1 Improvement in convenience for taxpayers

We will aim to build an environment that enables even those who are not familiar with tax to carry out procedures easily and conveniently using a digital tool used ordinarily (smartphone, tablet, PC, etc.). As such, we will pursue various measures, more treasuring the “taxpayer perspectives” than ever.

As an approach for that, we set an assumed typical model of taxpayer (persona), to obtain a bird’s eye view of the whole actual flow for a taxpayer to “confirm whether declaration is necessary or not, find the necessary procedures, make an inquiry, submit a tax return, and pay taxes” as well as to enable optimum improvements for UI/UX; and specify a customer journey for the persona to implement tax

procedures. Through it, we are visualizing the current problems and considering improvement measures. As concrete measures, we are promoting the following: simplify the declaration and application procedures (expansion of the range of items that can be entered automatically, etc.) towards realization of “Japanese version of pre-filled tax return” (tax return not requiring description); sophistication of search and consultation using digital, etc.

2 Higher efficiency in and sophistication of taxation and tax collection

Data are the sources of wisdom, value, and competitive edge; they also are positioned as the clues used to solve social challenges in Japan, which is an advanced country in addressing new challenges. In tax administration, too, we think it is important to improve efficiency in and sophisticate the operations using data (or on the premise of data usage) as well as to tackle the challenge of BPR.

Therefore, we will not only proactively use data but also actively leveraging online tools in carrying out tasks, including the scenes of taxation and tax collection. Also, we will expand data-used information exchange for inquiries to other entities such as local governments and financial institutions, through promoting digitalization.

Also, from the viewpoint of effective use of data, we are considering the ways to use taxation data for academic research purposes as well.

3 Promotion of digitalization by business operators

Powerful promotion of digitalization of all transactions of business operators or of all accounting processes, etc.: This is regarded as one of the important challenges for the whole government to tackle.

Regarding the administrative tasks processed by business operators in daily operations (those related to economic transactions, those processed by back office), if they can be completed by digital consistently, it is expected each business operator can enjoy huge advantages such as improved accuracy through prevention of simple errors and improved productivity through higher operational efficiency. In addition, it is expected it could contribute to management sophistication at each business operator.

Therefore, we are also promoting the measures to encourage business operators to pursue operational digitalization, in addition to digitalization of tax procedures.

If economic transactions and operations are digitalized, and if an environment is established where efficient digital processing is enabled consistently including tax processing, productivity improvement would be realized at business operators; as a result, digitalization of other business operators would be encouraged, and both tax procedures and operations would see further digitalization. This means creation of a “virtuous cycle in that promotion of digitalization leads to further digitalization.” Thus, if it occurs, we could expect it will lead to DX promotion for whole society and advantages of digitalization will spread to whole society.

We are endeavoring to help business operators promote respective operational digitalization, from the perspective of enabling digitalization of whole business process of business operators, with an eye on the fact that such efforts have social implications in that they could contribute to DX promotion for whole society.

~ Enhancing taxpayer services through using data, digital tech, 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, taxpayers are required to 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, we are working on various convenience improvement measures and information provision to enable taxpayers to submit tax returns and pay taxes in an easy and convenient manner, by using data and digital tech. This way, we are striving to strengthen our services for taxpayers.

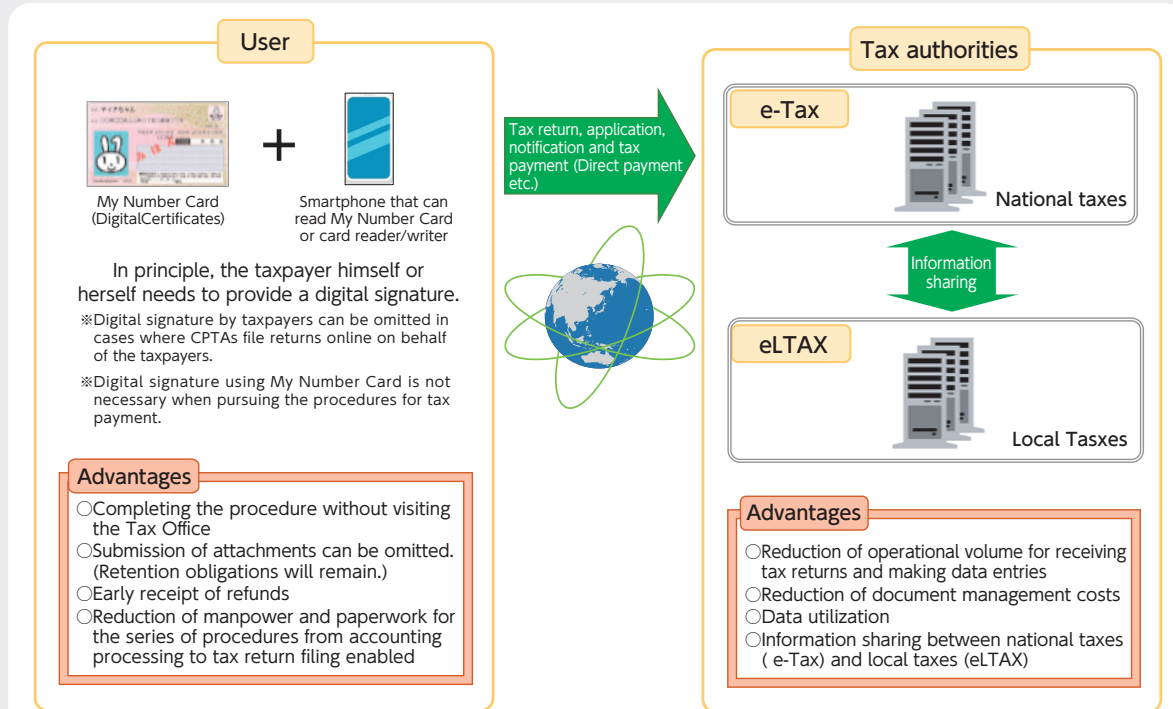
1 e-Tax (Online National Tax Return Filing and Tax Payment System)

~ Strongly promote various measures in order to expand the uses of e-Tax ~

By using e-Tax, each taxpayer can pursue various procedures for national taxes online such as tax return filing, submission of applications / notifications, and tax payment.

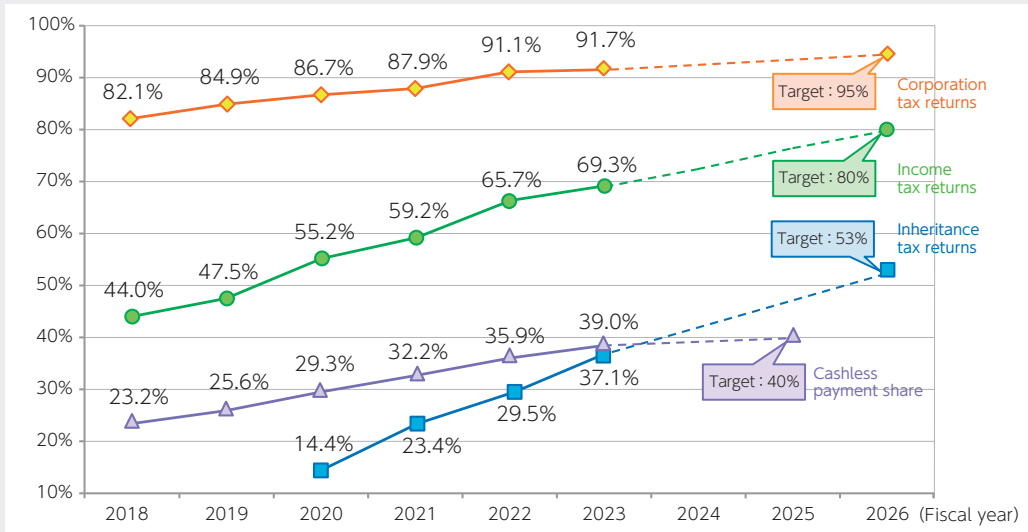
We are strongly promoting various measures to enhance the convenience of e-Tax for expanding usage of e-Tax (see Column 1), and online usage rate has been steadily increasing.

Outline of e-Tax



Rates of online filing

We will aim to further raise the rates of online filing through setting the target.



- ※ 1 Each counted figure for FY2023 is a preliminary figure. Finalized figures are scheduled to be publicly released through e-Tax website around October 2024.
- ※ 2 The graph shows usage rates for major procedures. Please refer to the e-Tax website for other procedures.
- ※ 3 Regarding income tax, the data include tax returns prepared at the consultation sites and submitted via e-Tax.



Web Site of e-Tax
"Status of e-Tax usage
in FY2022"
[in Japanese]

Column 1

Measures for improving the convenience of e-Tax

1 Provision of "My page" where each taxpayer can browse corporate information etc. registered with e-Tax [It became available in September 2023]

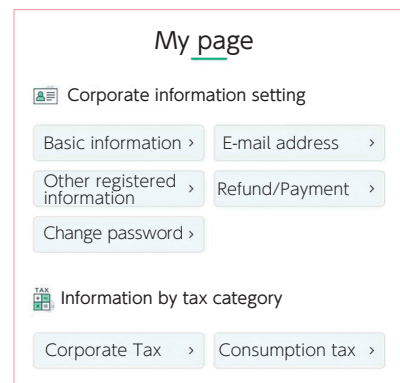
In addition to "My page" for individuals that was provided in January 2023, "My page" for corporations is also provided.

On "My page" of e-Tax, each taxpayer can confirm the following: corporate information registered with e-Tax ("corporate name," "place to pay taxes," "registered financial institution," etc.); information related to each tax item (corporation tax amount and local corporation tax amount in interim tax declaration etc.)

※ For details, see the website of e-Tax



Website of e-Tax "My page"
[in Japanese]



Envisioned screen of "My page" for Corporation

2 Various web systems (e-Tax software) were integrated [Implemented in May 2024]

We integrated the various web systems provided on e-Tax (reception system, e-Tax software [web version], e-Tax software [SP version]). Through this, user access lines were sorted out from their perspective, so e-Tax became easier to use.

Also, we improved the design of relevant UI/UX to make it easier to use from either a smartphone, a tablet, or a PC.

※ For details, see the website of e-Tax



Website of e-Tax: "Various web systems of e-Tax were integrated to improve functionality."
[in Japanese]

2 Filing for tax return

~ The number of taxpayers who filed tax return for income tax was 23.24 million.
More than half of them filed for refunds ~

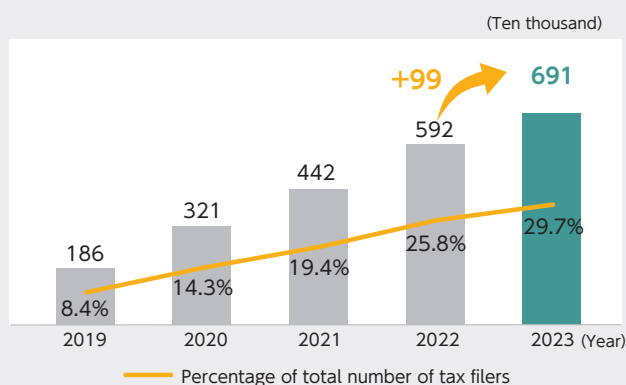
Tax filing is a procedure, in which the taxpayer calculates income and tax amount for a one-year period, files and pays taxes. Not only persons obligated to file, but also those who obtain tax refunds file tax returns, for example, because they paid a certain amount of medical expenses. 23.24 million people filed their income tax for 2023; thus, one out of five residents filed tax returns. Of these, over 13.5 million people filed for refunds, comprising over half of the people filing tax returns.

(1) Promotion of filing by e-Tax at home

The NTA promotes that taxpayers themselves file at home by e-Tax (including the filing assistance on the NTA website), so that they can file returns without visiting the filing sites.

Among the tax returns filed for 2023, those who filed from home using e-Tax accounted for 6.91 million people. This figure represented an increase by 990,000 people from those who had done so for 2022.

■ Trend in the number of taxpayers who filed tax returns via e-Tax at home



Number of people who filed 2023 tax returns		Ten thousand
		2,324
Via e-Tax at home		1,182
Transmissions by taxpayers themselves		691
Via smartphone etc.		316
Proxy transmissions by CPTAs		492
Via e-Tax at the filing sites		256
Via e-Tax at the designated sites by local governments		167

~ The filing assistance is available on the NTA website ~

With the filing assistance on the NTA website (<https://www.keisan.nta.go.jp/kyoutu/ky/sm/top#bsctrl> [in Japanese]), 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, consumption tax for sole proprietors, gift tax, etc. as well as financial statements for blue returns; and the filing data thus produced can be transmitted as is via e-Tax.

Note that, by linking with the Mynportal, income information such as salaries and public pension benefits and tax deduction information such as medical expenses and contributions to local governments can be collectively obtained, and amounts, etc. thereof can be automatically entered in corresponding fields.



The filing assistance
on the NTA website
[in Japanese]

About tax filing for income tax using smartphone

Regarding the filing assistance on the NTA website, we make efforts for better design to enable easy use so that much more taxpayers can file at home; for instance, we have provided dedicated pages for smartphone users.

Regarding a “withholding tax slip for salary income,” if it is captured by a smartphone camera, it can be automatically entered to the filing assistance on the NTA website.

Target scope for the dedicated site for smartphones

【Income-related】

- Business income
- Real estate income
- Employment income
- Miscellaneous income
- Occasional income
- Annual transaction statement for specified account (Transfer income, dividend income, etc. from listed stocks etc.)
- Amount of losses on transfer of listed shares etc. carried forward from the previous year

【Deduction-related】

- Income deductions of all types
- Special credit for contributions to political parties etc.
- Reduction or exemption of income tax due to disasters
- Foreign tax credit
- Amount of estimated tax prepayment
- Losses carried forward to be deducted this year



※ The dedicated site for smartphones can be used only for the tax filing for the latest year out of the eligible years.

~ The number of people that submit a tax return with e-Tax using the “filing assistance on the NTA website” is increasing each year ~

In the filing period for 2023, the number of people who filed tax returns for income tax from home with e-Tax using the “filing assistance on the NTA website” was 6.46 million including proxy transmissions by CPTAs. The number of users has been increasing year after year, from the figure for 2015. The number of people who submitted paper tax returns using the “filing assistance on the website” for 2023 was 3.21 million people, which was a decrease from 3.51 million people for 2022. This shows a further accelerated pace of the shift from paper to e-Tax filing. Of 6.46 million people, about 3.16 million people created a tax return using smartphone etc.

(2) Response to diverse taxpayer needs

~ Easing congestion at the filing sites by using numbered tickets ~

To ease congestion at the filing sites during the tax filing period, numbered tickets, denoting when to enter the sites, are distributed to the taxpayers wishing to visit the sites.

The tickets are distributed at each site on the day; additionally, they can be issued in advance online.

~ Opening Tax Office on Sundays during the filing period ~

We heard voices from taxpayers that they want filing consultations on the days other than weekdays as well. In response to that, we receive tax returns and provides filing consultations on two Sundays during the tax return filing period at some Tax Offices.

Cooperation with local governments

In an effort to simplify taxpayer filing procedures and improve administrative efficiency, the NTA is working on achieving close cooperation with local governments: for instance, mutual provision of data on tax returns of income tax.

3 Promotion of cashless payment

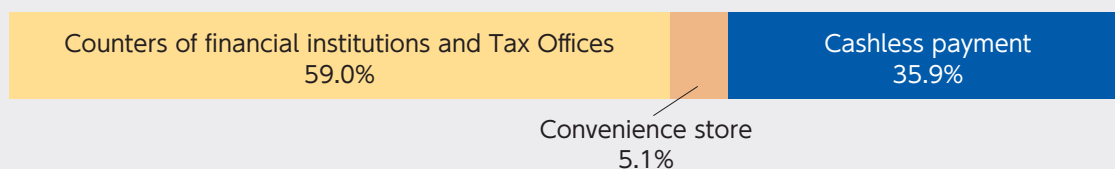
~ Building an environment that enables cashless payment in an easy and convenient manner ~

At present, about 60 percent plus of total national tax payments are made at financial institutions, convenience stores or counters of Tax Offices.

We are striving to expand usage of cashless payments with a goal to achieve 40% in cashless payment share by FY2025, aiming to perform the following three: improve the convenience for taxpayers; improve the operational efficiency; and realize non-contact tax procedures.

In addition, for carrying out dissemination and PR for the trend toward cashless payments and soliciting its usage, we are collaborating with the Bank of Japan and other relevant entities such as local tax authorities and financial institutions.

■ Proportions of national tax payments by payment method: FY2022 results (based on the number of cases)



~ Enhanced taxpayer services by offering various payment methods ~

Given the diversification of payment methods and the progress in using cashless, we enhance taxpayer convenience for national taxes as well, through introducing diverse payment methods as below:



General guidance about tax payment on the NTA website [in Japanese]

(1) Cashless payment methods

Transfer tax payment

***Available for self-assessment income tax and consumption tax of sole proprietors only**

Transfer tax payment is a tax payment procedure by debiting tax amounts from a deposit account or a savings account designated by each taxpayer by using a request form for payment by transfer in advance.

By submitting a transfer request to a Tax Office or financial institution, or via e-Tax, transfer tax payment will automatically be carried out from the next time onwards.

This is a convenient procedure for the individuals who submit tax returns of income tax and consumption tax.

Direct payment (account transfer using e-Tax)

***Available for all tax categories**

Direct payment is a procedure that enables taxpayers to pay tax immediately or on a designated payment date, based on an application for use submitted in advance, by simple operation (by transfer from a deposit account or a savings account) after filing tax returns digitally by e-Tax.

Any user (limited to individuals whose financial institutions support online submission) can use this by submitting the usage application to the relevant tax office or via e-Tax.

This is a convenient procedure for those who file a tax return with e-Tax, or particularly for those who frequently pursue payment procedures (monthly payment of withheld income tax etc.).

Since April 2024, automatic direct debit on the statutory due date for tax payment* has been possible, only by expressing the will to do direct payment by the day before the statutory payment due date (filling in a checkmark in the checkbox) when sending tax return data etc. via e-Tax.

* In case the filing procedure is completed on the statutory due date for tax payment, the automatic direct debit will be processed on the following business day.

Online tax payment using Internet banking etc.

*Available for all tax categories

This is a procedure for payment using the Internet banking or ATM of financial institutions that accept Pay-easy payment, which is enabled by submitting an application to start using e-Tax in advance.

Payment with credit card

*Available for all tax categories

This is a payment procedure which is used by inputting credit card information on the dedicated website (credit card payment site for national taxes).

- ※ 1 When paying taxes this way, settlement charges dependent on the tax amount need to be paid separately. (Such settlement charges are not the funds to be counted as part of the revenues for the government.)
- ※ 2 Please note that 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.

Payment by smartphone app

*Available for all tax categories

This is a payment procedure where a usable payment method is chosen on a dedicated website (smartphone-dedicated payment site for national taxes.)

- ※ 1 Amount that can be paid at a time is 300,000 yen or less.
- ※ 2 Certain balance needs to be charged in advance for the payment method chosen.

(2) Payment methods other than cashless

Payment at convenience stores

*Available for all tax categories except for the voluntary payment of withholding income tax

This is a payment procedure at convenience stores where either one of the methods shown below is used.

- ① A QR code is created on smartphone or PC at home, it will be read by a kiosk terminal at a convenience stores, and the payment slip rendered there will be used to pay at the cashier.
- ② Taxpayers may also complete the payment at convenience stores using the barcoded 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 such as estimated tax prepayment.

- ※ 1 Amount that can be paid at a time is 300,000 yen or less.
- ※ 2 "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

Cash payment

*Available for all tax categories

This is a payment procedure where payment is made by cash together with the payment slip at a financial institution (a designated agent for receiving payments on behalf of the Bank of Japan) or the relevant tax office.

4 Efforts towards 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 as well as utilizing My Numbers (Individual Numbers) and Corporate Numbers.

For the overview of My Number System,
please refer to the Digital Agency website.



The Digital
Agency website
[in Japanese]



Myna chan

a. My Number (Individual Number)

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

Currently, the usage of My Number is limited to the procedures prescribed by acts or municipal ordinances in the fields of social security, taxation, and disaster response.

b. Corporate Number

Corporate Number is a 13-digit number given to each corporation, such as stock companies. Corporate Number is usable by anyone without any restrictions in usage scope, unlike My Number.

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

~ Utilization and publicity in the national tax field ~

An individual or a corporation needs to fill in the Number (My Number or Corporate Number) on the tax return or the legal payment record every a submission to the Tax Office. When My Number is provided, strict identity verification of the individual is required to prevent identity theft.

For popularizing the My Number system, we created a special corner for the My Number System on the NTA website which contains FAQ etc. Additionally, the NTA is actively promoting various publicity and public relations activities.



The special corner for
the My Number System
on the NTA website
[in Japanese]

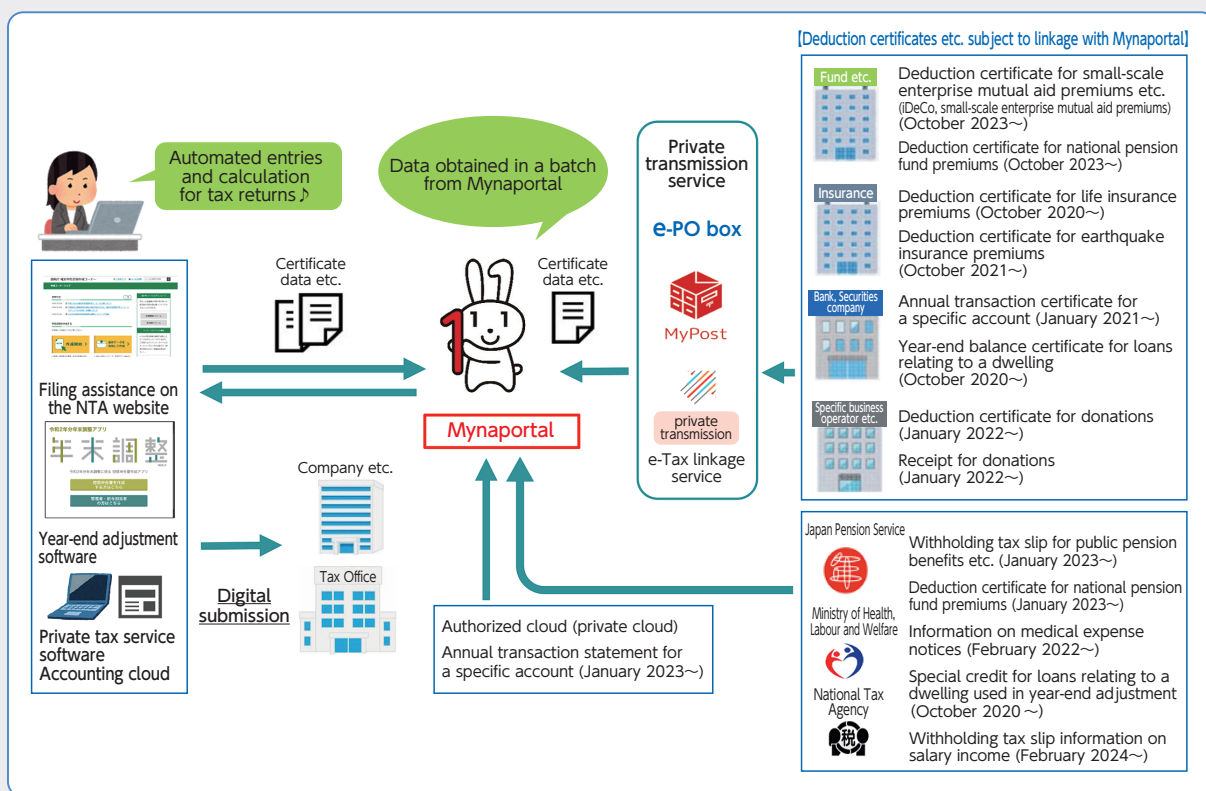
~ Improving convenience for taxpayers ~

Taking the opportunity of the introduction of the My Number System, attaching a copy of a certificate of residence became unnecessary in a filing procedure such as for housing loan tax credit. In addition, when having transmitted a tax return of income tax, consumption tax, gift tax or inheritance tax via e-Tax, such a taxpayer can access information on income tax return, processing status of filing for refund, etc., saved in the e-Tax's message box via the "Notice" function of Mynaportal¹.

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.

In addition, to further simplify the procedures for year-end adjustment and tax return filing starting with the applications for 2020, the NTA realized a new function (linkage with Mynaportal) whereby the data on deduction certificates for life insurance premiums etc. can be obtained as a batch from the Mynaportal for automated entries to various application forms. Scope of the data subject to automated entries has been expanded in stages. For example, withholding tax slip information for salary income became linked from February 2024. As such, user convenience was further improved.

Image of linkage with Mynaportal



(3) Promotion of popularization of My Number Card

We are promoting relevant measures to improve the convenience for taxpayers using My Number Card as well as proactively engaging in dissemination and PR activities towards wide acceptance of My Number Card, leveraging various opportunities (period for tax filing, Think About Tax week, etc.).

(4) Actions as the entity assigning Corporate Numbers

The NTA designates Digital Corporate Number to each corporation and notifies it of the number whenever a newly incorporated stock company etc. is registered.

Also, information on the three basic items (that is, trade name [or corporate name], head office location [or location of the main office], and Corporate Number) is publicized on the “NTA Corporate Number Publication Site.”

As part of the social infrastructure, Corporate Number data are expected to be used effectively in a wide scope of areas whether public or private. On the above site, information on the three basic items can be searched, and also, data download function and web-API¹ function are provided. In addition, English representations of the trade name and head office location of each corporation are publicized, given the registration by respective corporation.



NTA Corporate
Number
Publication Site
[in Japanese]

¹ It is a mechanism of inter-system collaboration that enables acquisition of information that match certain conditions, through transmittal of a request from each user's system designating the conditions.

5 Promoting digitalization of administrative services

~ Towards the realization of a Digital Government¹ ~

In accordance with the government policy “Priority Policy Program for Realizing Digital Society” (approved in a Cabinet meeting held in June 2023), the NTA is endeavoring to promote digitalization for the national tax-related procedures and improvements for UI/UX from the taxpayer perspective, as well as to ensure information security and improve efficiency and rationalization of the operations and systems.

Ensuring stable and reliable ICT system and information security

Since the national tax-related operations are closely connected to public rights and obligations and responsible for managing taxpayer information of a large volume, 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.

We take great care for the prevention of improper use and leakage of information. For instance, we allow our officials to use only the necessary information for their works, and we also conduct security audits regularly.

For the core systems (e-Tax system and KSK system that keep the key data), the NTA obtained the certifications based on the ISMS² compliance evaluation system (certifications based on ISO/IEC27001 and JISQ27001³) which are in conformity with international standards, in 2007. They have been regularly updated since then.

Furthermore, in 2020, the system that designates the Corporate Number also acquired the same certification.

Kokuzei Sogo Kanri (KSK) System (Comprehensive management system for national taxes)

The KSK System, which links all Regional Taxation Bureaus and Tax Offices, is a core 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)

The NTA has decided to aim for “Improvement in taxpayer convenience” and “Higher efficiency and sophistication of taxation and tax collection” through utilization of ICT, and as the infrastructure to realize them, we are promoting the development of next-generation system “KSK2” towards its full-scale introduction in FY2026.

We are promoting the development of the KSK2 with the following concepts:

1. A system to realize operational processing mainly with data (from paper to data),
2. Integration of database applications, which are currently divided by tax category (elimination of vertical division systems)
3. Renewal from so-called large “main frame” computers using the original OS to so-called an “open system” using store-bought general-purpose OS (departure from main frame).

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 ISMS (an abbreviated code for Information Security Management System) 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.

3 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.

Commencement of recruiting officials for the new category of “National tax expert B [Science, engineering, and digital course]” from FY2024

To further promote digital transformation for tax administration, the NTA has created a new category of national tax expert B (Science, engineering, and digital course) for the people of science, engineering, and digital course, starting with the national tax expert exam of FY2023, in addition to the conventional category of national tax expert A for the people of law and literature course, and commenced recruiting officials for the category of “National tax expert B [Science, engineering, and digital course]” from FY2024.

The NTA has many divisions that carry out system development, data analysis, development of ICT research techniques, etc., providing various fields where those who graduated from science, engineering, and digital courses can perform actively.

Please refer to the page on “About the creation of a new exam category” of the NTA website for details.



About the creation of a new exam category (Science, engineering, and digital course) [in Japanese]

理工・デジタル系の方向け！！

国税専門官採用試験(B区分)

国税庁では、税務行政のデジタル・トランスフォーメーションに取り組んでおり、ICT分野での活躍が期待される理工・デジタル系の人材を求めています。

国税専門B区分(理工・デジタル系)は、基礎数学、情報数学、情報工学、物理、化学等といった理工・デジタル系の分野の問題が多く設定されており、幅広く、理工・デジタル系の方が受験しやすい試験となっています。

○国税専門官とは…

国税庁は、国の財政基盤を支える内国税の賦課・徴収を行う官庁です。国税専門官は、全国の国税局や税務署で税のスペシャリストとして、次のような業務を行います。

国税調査官 納税者から提出された確定申告書等について、適正な申告が行われたかどうかの調査や検査を行うとともに、申告に関する指導などを行います。

国税徴収官 定められた納期限までに納付されない税金の督促や滞納処分を行って、税金を徴収するとともに、納税に関する指導などを行います。

国税査察官 裁判官から許可状を得て、悪質な納税者に対して捜索や差押えなどの強制調査を行い、刑事罰を求めるための検査官に当たります。



6 Strict management of information

The NTA retains various information, such as income data of individuals, and strict management of information is required, since should this information leak out, cooperation from taxpayers cannot be expected, disrupting smooth execution of examinations and tax collection 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, we strive 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 Concentration of internal operations to centers

Since July 2021, the NTA started the initiative for “concentration of internal operations to centers” targeting limited Tax Offices, where internal operations of such multiple Tax Offices are concentratedly processed at the specialized operation centers.

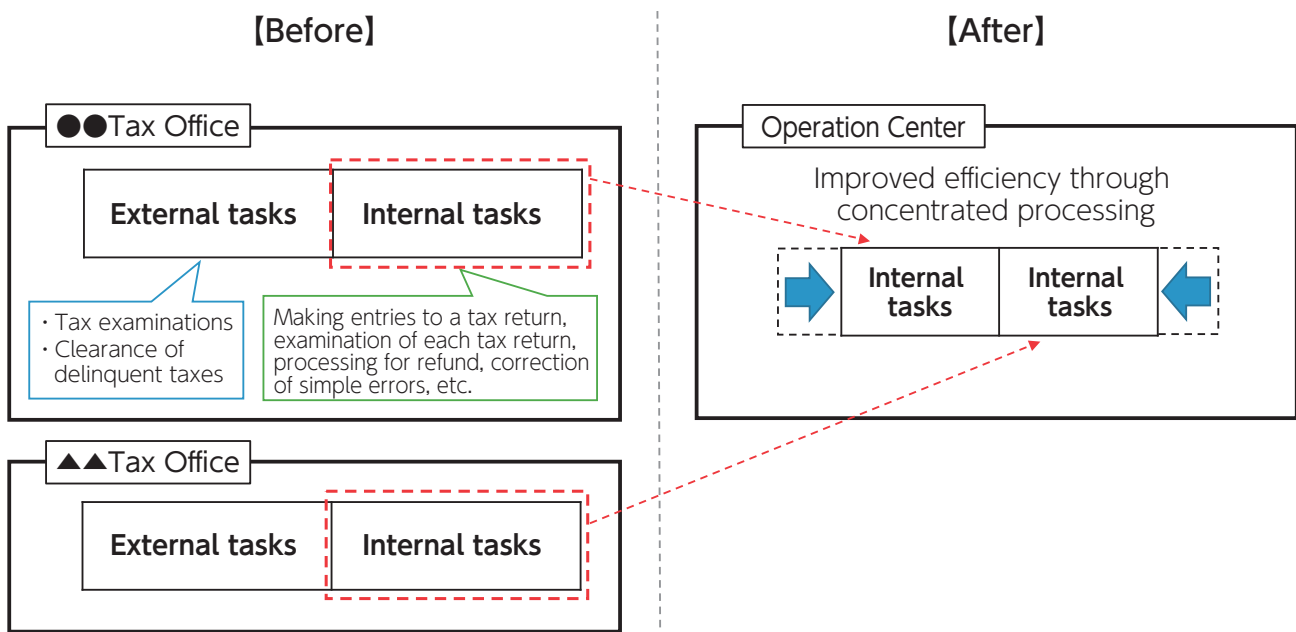
Internal operations include entry processing for tax returns, sending inquiry documents about the content of tax returns, etc.

In the initiative of “concentration of internal operations to centers,” it is aimed at realizing highly efficient operations and ensuring accuracy in operations, through having internal operations concentratedly process at specialized organizations (operation centers). Scope of the target Tax Offices will be expanded gradually, and it is planned to realize the concentration of internal operations to centers targeting all Tax Offices in 2026.

Using the extra room for new tasks secured through the efficiency enhancement, it is intended to improve and enhance external operations, such as the services for taxpayers, tax examinations, clearance of delinquent taxes, effective uses of data, etc.

It is not that “concentration of internal operations to centers” changes the Tax Office that governs each taxpayer. However, Operation Center may make inquiries to each taxpayer, CPTA, etc. by phone or a document, for processing relevant internal operations.

Regarding the implementation status of “concentration of internal operations to centers” at each National Tax Bureau, please refer to the page of “About the concentration of internal operations to centers for Tax Offices” on the NTA website, for more details.



8 Providing information etc.

~ Various public relations activities ~

The NTA provides various information that could help taxpayers perform tax return filing, tax payment, etc. mainly through the NTA website (<https://www.nta.go.jp/> [in Japanese]), as well as through mass media (TV and newspapers), various public relations mediums and explanatory meetings.

In addition, regarding general interpretation and treatment of tax laws, the NTA provides relevant information on the NTA website as well as through pamphlets available at Tax Offices and municipality offices etc.; regarding general questions and consultation requests related to taxes, we answer them by telephone etc., and; when there are questions on tax applications related to an actual transaction, we make it a rule to respond to an advance inquiry.

Think About Tax Week

The NTA is making enlightenment efforts on taxes throughout the year, to enable citizens to acquire knowledge about and deepen understanding of the significance and roles of taxes and the tax administration.

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) The NTA website

~ Provide easy-to-understand information on the NTA website ~

To enable anyone to easily use the NTA website, we are making efforts to deliver information in an easy-to-understand format, such as simplified layout of the website with menu selection put into one place.

We are also striving to provide contents with text enlargement and voice reading functions so that all people including the elderly and handicapped can use information and functions provided on the NTA website without difficulties.

Overview of NTA Website (top page)

※Images used on the site are as of June 2024.

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 '音声読み上げツール起動' (Start voice reading tool).
- 3** Global navigation: A horizontal menu with categories like 'ホーム', '税の情報・手続・用紙', '刊行物等', '法令等', 'お知らせ', and '国税庁等について'.
- 4** Urgent notice: A red banner titled '緊急のお知らせ' (Urgent notice) regarding the Great East Japan Earthquake.
- 5** Banner: A large banner for the 'インボイス制度 特設サイト' (Invoicing System Special Site).
- 6** Featured topics: A '注目ワード' (Featured words) section listing various tax-related topics.
- 7** New arrivals: A '新着情報' (New arrivals) section with a list of recent news items.
- 8** Search for Tax Office: A '税務署を検索' (Search for tax office) section with search criteria like postal code and location.
- 9** Menu by area of interest: A '分野別メニュー' (Menu by area of interest) section with sub-sections like '税について調べる' (Learn about taxes), '申告手続' (Filing procedures), and '納税手続' (Payment procedures).
- 10** SNS etc.: A social media section with icons for X (Twitter), LINE, YouTube, and Web-TAX-TV.
- 11** Site map: A '国税庁等について' (About NTA) section providing an overview and contact information.

Search function within the website

Function to search through information on the entire NTA website by referencing a keyword

Text enlargement / voice reading

Support functions for the elderly and those who have visual disorders

Global navigation

Information guide that serves as an entrance to various information sites

Urgent notice

Displays highly urgent information, such as disaster-related messages

Banner

Gathers and displays the banners of information that deserves special attention

Featured topics

Displays terms related to information that deserves special attention on the NTA website

New arrivals

Displays new arrival information in a table by content

Search for Tax Office

Enables the user to search for its jurisdictional tax office by postal code or address

Menu by area of interest

Displays page with the most access by area of interest

SNS etc.

Collects and displays information from all tools used by the NTA to release information

Site map

Displays the composition of the entire NTA website in a table

※ The NTA disseminates information including new information regarding the NTA and a press release through the official NTA X (formerly Twitter) account (@NTA_Japan) other than the NTA website. 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 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, organize tax essay contests, conduct various tax-related events, etc., in cooperation with the Certified Public Tax Accountants' Associations and the relevant private organizations, centered on the councils for promoting tax education established in each prefecture (members: Regional Taxation Bureaus, Tax Offices, local governments, educational leaders, etc.).

Moreover, taking into account changes in the environment surrounding tax education, such as the new education guideline and the GIGA School Program, 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.

Certain contents are uploaded to the "Tax learning corner" of the NTA website (<https://www.nta.go.jp/taxes/kids/index.htm> [in Japanese]), for enabling pupils and students to learn about taxes themselves. Also, by using the "Tax☆Space UENO" (facility for tax education, located in the Tokyo Ueno Tax Office), we make such programs as "Tax Office Tour" and "Experiential Learning" available.



Tax education class

■ Number of lecturers dispatched to tax education classes etc.

Fiscal year	2022	2023
Officials	9,126	9,720
Non-officials	31,965	33,721
Total	41,091	43,441

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

■ Number of essays entered for Tax Essay Contest

Fiscal year	2022	2023
Received from senior high school students	148,050	174,008
Received from junior high school students	460,918	445,945

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 each year on a specific theme. In FY2023, the theme of the special exhibition is “Corporate income and tax administration from the Meiji era to the Pre-war Period of the Showa era”. From November 1, 2023 until October 31, 2024, the exhibition explains and showcases the history of taxes on corporate income, together with the progress of tax administration.

For further information, please visit the National Tax College section on the NTA website.



Tax Museum Special exhibition corner



Tax Museum corner
[in Japanese]

(3) Lectures

～ Tax enlightenment activities to improve awareness towards tax payment ～

If a taxpayer can correctly understand the roles of taxes, significance of the tax return filing system, and the rights and obligations of taxpayers as well as can think about them proactively, it could cultivate deep sense of acceptance towards tax payment. Thus, the NTA holds lectures, supported by the Regional Taxation Bureaus and Tax Offices, for college students and adults with the objective to improve awareness of tax payment.

■ Number of lectures provided to adults

Fiscal year	2022	2023
Number of lectures	1,148	1,326

(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) briefings on revisions to the tax laws and (3) briefings for newly established corporations.

■ Number of briefings held and number of participants

Operation year	2021	2022
Number of briefings	19,537	39,586
Number of participants (Thousand)	441	846

(5) Tax consultation

～ Tax consultations are handled through the NTA website ～

To enable each taxpayer to solve his or her own questions about national taxes, the NTA website conducts consultation through “Chatbot” and provides information through “Tax answer.”

Also, tax consultation requests over the phone are covered by the phone consultation center installed in each Regional Taxation Bureau.

~ Scope has been expanded for tax consultations covered by chatbot ~

“Chatbot for tax consultation” that enables consultation 24 hours a day, 365 days a year, is available on the NTA website.

Through the introduction of the chatbot, users can consult on questions about national taxes easier and reach the related information posted on the NTA website quicker. To the list of consultation subjects such as “tax declaration for income tax,” “tax declaration for consumption tax,” “Invoice System,” and “Year-end adjustment” previously covered, in April 2024, “Flat-amount Cut of Personal Income Tax” was added.

Also, general answers are posted to the FAQs concerning national taxes in the corner of “Tax answer” where you can conduct a search about your personal status, life events, etc.

■ Number of questions received by the chatbot

(Ten thousand cases)

Calendar year	2022	2023	2024
Final tax return for income tax	634	651	887
Final tax return for consumption tax	—	11	37
Invoice System	19	69	
Year-end adjustment	56	63	—
Flat-amount tax cut	—	—	50

※ 1 In principle, the numbers are for one year from January to December. However, about “Year-end adjustment,” figures are for the period from October to January of the following year.

※ 2 Regarding 2024, data shown are as of May 31, 2024.

※ 3 For 2024, “Final tax return for consumption tax” and “Invoice System” are operated by the same integrated chatbot, so the figures are totals.

■ Number of accesses to “Tax answer”

(Ten thousand cases)

Fiscal year	2021	2022	2023
Number of accesses	8,908	8,079	8,910

For any questions or consultations regarding national taxes, we recommend using the chatbot and “Tax answer”



Chatbot character
Tax staff FUTABA



Chatbot
[in Japanese]



Tax answer
[in Japanese]

■ Number of consultations to phone consultation centers

(Ten thousand cases)

Fiscal year	2021	2022	2023
Number of consultations	557	489	538

※ Including the numbers of consultations via email dedicated to the aurally challenged as well as via FAX

~ Tax Offices provide tax consultation services on a prior appointment basis ~

We encourage taxpayers to use the chatbot, “Tax answer” or phone consultation centers, if there is any question or a consultation request concerning national taxes.

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 case of an interview consultation, since it is necessary to set aside ample time for the interview and we need to notify the documents to be brought with, we request that an appointment for the interview is made in advance over the phone.

(6) Advance inquiries

~Enhanced predictability for taxpayers~

In case a taxpayer has questions 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 disclosed as Q&As on the NTA website (Response examples in writing). Among the answers to advance inquiries, answers that can serve as reference for other taxpayers are also posted on the NTA website (Q&A examples).

■ Number of advance inquiries received by written reply procedure (Cases)

Fiscal year	2022	2023
Number of advance inquiries received	125	157

■ Number of Q&A examples posted on website (Cases)

As of the end of fiscal year	2022	2023
Number of Q&A posted	2,005	2,035



Response examples in writing [in Japanese]



Q&A examples [in Japanese]

Column



Response to the 2024 Noto Peninsula Earthquake (as of March 2024)

1 Deadline extension for final tax return filing and payment for national taxes

Following the occurrence of the 2024 Noto Peninsula Earthquake, the NTA issued a public notice on January 12, 2024, targeting those who have a tax payment place in Ishikawa Prefecture or Toyama Prefecture. The notice ensured the following: declaration and payment due date will be extended for national taxes whose due date arrives after January 1 (date of the disaster) (region-designated measure); and account transfer date will be extended for tax payment by transfer account of income tax and consumption tax whose statutory payment due date arrives after that date.

Even for anyone whose tax payment place is outside Ishikawa Prefecture and Toyama Prefecture, if they were stricken by the Quake and are unable to submit tax returns and pay taxes, period extension would be allowed individually, by applying to the competent Tax Office (individual designation).

We will continue to take careful measures, based on the individual situation of each disaster-stricken taxpayer.

2 Dissemination of tax measures etc. related to the disaster

Promptly after the occurrence of the Earthquake, we disseminated and made PR activities through the NTA website, X site (former Twitter), etc., concerning the tax measures (procedures) available for the disaster-stricken people as well as concerning the tax treatment of donations etc.

In addition, to support the disaster-stricken people, on February 21, 2024, special provisions were enacted whereby miscellaneous loss deduction can be applied to income tax for 2023. To enable taxpayers to smoothly use such special measures, the NTA promoted dissemination and PR activities about the content and related procedures through the NTA website as well as through relevant local governments, involved organizations, etc., starting in the stage before submitting the bill to the Diet.

Note that the Tax Offices in the Noto region, which was severely damaged, strived to establish an environment that enabled disaster-stricken taxpayers to properly receive consultation service and file tax returns, such as securing a site outside Tax Office for tax return consultation.



Notice on the 2024 Noto Peninsula Earthquake [in Japanese]

3 Support for liquor business operators

To support the disaster-stricken liquor business operators, a special measure was taken to enable the refund procedures for the liquor tax equivalent amount concerning the damaged liquor products, referencing the actual damage situation and the needs of liquor business operators. Additionally, we have been providing technical support to the disaster-stricken breweries, etc. of the Noto region, where there are many breweries etc.

(Reference) Cooperation for disaster-stricken local governments

To help issue disaster victim certificates etc., we had the Kanazawa National Tax Bureau dispatch some staff to the disaster-stricken municipalities in Ishikawa Prefecture.

9 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 pursues publicity activities about the withholding tax system through creating a page for withholding agents on the NTA website and posting thereon various guidebooks, pamphlets, explanatory videos, etc.

Column 4

Response to special deduction of income tax by a flat amount (flat-amount tax cut)

1 Overview of the system

As a temporary measure for fully exiting from deflation, concerning the taxpayer of income tax for 2024 and his or her spouse living in the same household ^(Note 1) or one dependent relative ^(Note 2) (all limited to residents): 30,000 yen will be deducted from the income tax amount for 2024. Provided, however, that any taxpayer whose total amount of income ^(Note 3) is over 18.05 million yen will be excluded.

(Note) 1 Spouse living in the same household is the spouse who shares the same household of the taxpayer (excluding those who receive salaries as family employees of blue return taxpayer and those who receive salaries as family employees of white return taxpayer [hereinafter “family employees of blue return taxpayer etc.”]) and whose total income amount is 480,000 yen or less.

2 A dependent relative is a relative who shares the same household with the taxpayer (excluding spouse, family employees of blue return taxpayer etc.) and whose total income amount is 480,000 yen or less.

3 Total amount of income is the sum of total income (calculated without applying carry-overs of net losses, casualty losses, etc.), retirement income, and forestry income.

*Refer to the “Tax answer (FAQ)” corner on the NTA website for detailed explanations of the terms.

(Reference) About special deductions on individual inhabitant tax (local tax)

Concerning the taxpayer of individual inhabitant tax for FY2024 and his or her deduction-applied spouse or one dependent relative (anybody of them must be a resident in Japan): 10,000 yen will be deducted from the income-dependent amount of individual inhabitant tax for FY2024. Provided, however, that any taxpayer whose total income amount relating to individual inhabitant tax for FY2024 is over 18.05 million yen will be excluded.

Please refer to the municipality office of the place where you live now for more details.

2 Main effort items

Regarding the institutional structure and implementation method for the flat-amount tax cuts, we are striving to pursue various measures such as dissemination and PR, to enable taxpayers and withholding tax agents to correctly understand them.

(1) Making the content of the NTA website enriched

We set a “Special corner for flat-amount tax cut” on the NTA website, to concentrate the information on the flat-amount tax cut, where we are posting relevant pamphlets explaining the system, Q&A, reference information for taxpayers (such as briefing video), etc.



Special Website for Flat-amount Cut [in Japanese]

(2) Holding briefing sessions and dispatching lecturers

It was prescribed that the flat-amount tax cut for salary earners should be implemented from June 2024, so we held briefing sessions for salary payers at Tax Offices etc. nationwide since late March of 2024. In addition, we dispatched lecturers from among the staff of Tax Offices to briefing sessions and study gatherings held by relevant private organizations etc.

(3) Expanding the capacity for consultation

To receive general questions and consultation inquiries on how to proceed with flat-amount tax cut in terms of withholding tax operation for salary payment, we installed a “call center about the flat-amount tax cut on income tax for salary payers” (it is operational as of May 31, 2024).

10 Actions to ensure smooth start and popularization of the Invoice System

The Invoice System (the Qualified Invoice-Based Method)¹ was started in October 2023. The NTA pursued dissemination and PR activities to have business operators fully understand the Invoice System and respond to/prepare for it as well as took necessary measures for the entities who newly became required to do tax declaration for consumption tax to enable them to successfully perform their first tax declaration.

(1) Efforts of dissemination and PR to facilitate the understanding of the system ~ Ensure information provision not only before the start of the system but also after its start ~

Regarding the Invoice System, it was important for business operators to sufficiently understand the Invoice System and properly proceed with responding to and preparing for the system, including judgment on whether registration is really needed or not, so the NTA implemented the following. In addition, after the start of the system, we endeavored to provide information in response to practical inquiries.

◎ Efforts to promote understanding of the system

- Holding briefing sessions and dispatching lecturers to business associations etc.
- Holding “consultation sessions on registration necessity” targeting the business operators who are considering whether to get registered as a new Qualified Invoice Issuer or not
- Consultation response using the dedicated consultation desks installed at the Tax Offices nationwide (consultation corners about the Invoice System etc.) as well as the Invoice System call centers etc.
- Dissemination and PR using the Internet advertising and newspaper advertising
- Push-type dissemination and PR using DMs etc.

■ Information provision after the start of the system

Update information on the questions about which the call centers dedicated to the Invoice System etc. have received many inquiries from time to time.

お問合せの多いご質問		お問合せの多いQ&A TOP10 (令和6年5月現在)
No.	種類	内容
1	2 登録の手続き	連絡先を差出行事業者の登録は、どのような手順で行うのですか。
2	34 口座	当社は、取引先の社に経費を立てて入金してもらう場合があります。この場合は、経費の取扱いが不明で登録はし立掛りましたが、申告の際にどのような取扱いが求められますか。
3	54 連絡先変更に関するお問い合わせ	当社は、事業所として飲食店及び日用品店を営んでいます。軽減税率適用の対象品と非対象品の仕入れの仕様が異なる店舗を運営するにあたって、軽減税率を適切に適用したいと考えています。軽減税率適用対象事業者としての登録を希望し、連絡先変更の申請書類を提出したところ、連絡先変更申請書の添付が不十分と指摘されました。具体的な連絡先変更の取扱いがわかりません。ご対応をお願いします。
4	1 連絡先変更保存方式の取扱い	連絡先変更保存方式の取扱いを教えてください。
5	113 免税事業者からの入札	連絡先変更保存方式の開始後一定期間は、免税事業者からの入札参加の制限が適用される場合があります。その旨をお知らせください。
6	114 公営施設入札参加の取扱い	連絡先変更保存方式の開始後一定期間は、連絡先変更事業者の登録により課税事業者となった免税事業者については、消費税の申告について制限が適用される場合があります。その旨をお知らせください。
7	29 売上の区分に関するお問い合わせ	売上の区分に関するお問い合わせについて、取引事業者の申告の下で買手が課税事業者として登録した場合、売上の区分が変更されます。この場合の取扱いがわかりません。ご対応をお願いします。
8	113 免税事業者からの入札	連絡先変更保存方式の開始後一定期間は、免税事業者からの入札参加の制限が適用される場合があります。その旨をお知らせください。
9	103 消費税額算出用ソフトの取扱い	当社では経費控除を正確に計算するために、消費税額算出ソフトを利用していますが、ソフトが壊れたため、手作業で計算する必要があります。その際の取扱いがわかりません。ご対応をお願いします。
10	107 出張費、宿泊費、日当	社員に支給する出張費、宿泊費、日当については、社員の連絡先変更申請書では取り扱えません。連絡先変更の取扱いについてご説明をお願いします。

Disseminate the attention points in the form of comic.

The comic explains the 'Invoice System Registration' process. It shows a character asking 'Do you have a business ID?' and another character explaining the requirements. It also discusses the 'Invoice-based method' for tax calculation, showing how to calculate the tax amount based on the business ID and the tax rate. The comic is titled 'インボイス記載事項' (Invoice System Registration) and 'インボイス登録' (Invoice System Registration).

Disseminate the key points to the sole proprietors that newly became taxable business operators in a simple and easy-to-understand manner.

This illustration provides key points for sole proprietors. It lists the 'Business ID' (インボイス番号) and the 'Taxable sales' (課税売上) as key points. It also provides a checklist of questions to ask, such as 'Do you have a business ID?' and 'Are you a taxable business operator?'.

Explain the key points of the system in a video of about 3 minutes using illustrations.

This illustration explains the '20% Special Case' for the Invoice System. It shows a character asking 'Do you have a business ID?' and another character explaining the requirements. It also provides a checklist of questions to ask, such as 'Do you have a business ID?' and 'Are you a taxable business operator?'.

¹ Under the Invoice System, the following will be the requirements to be qualified for deduction of taxes on purchases: retention of relevant ledgers; and retention of bills, etc. such as the “qualified invoices” issued by the Qualified Invoice Issuers (who are the taxable business operators that were registered with Tax Office based on respective application submitted to the District Director of the competent Tax Office).

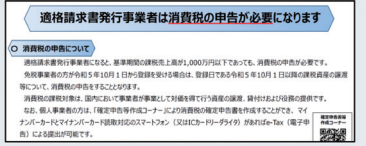
(2) Measures for the first filing period for final tax return after the start of the system

To enable business operators to smoothly complete tax filing during the first filing period after the start of the Invoice System, we disseminated that burden mitigation measures (special accommodation of 20% etc.) are available and we secured sufficient consultation capacity to enable accurate and careful response to inquiries from business operators.

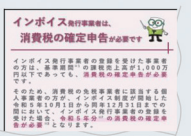
Measures taken for those who do tax filing for the first time

Dissemination and PR to recognize the tax filing obligations


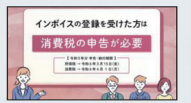
- Explanations given to the Qualified Invoice Issuers that tax filing for consumption tax is now obligated, when notifying of the registered number



- Sending direct mails to the sole proprietors that newly became taxable business operators



- TV CM

Enabling automatic calculation of special accommodation of 20% in tax returns

- The filing assistance on the NTA website was updated.


«Tax return creation flow when applying the special accommodation of 20%»

Sales (income) amount (including miscellaneous income)	Mandatory	5,500,000 円
(Of which) Tax-exempted transactions		円
(Of which) Non-taxable transactions		円
(Of which) Export of non-taxable assets etc.		円
(Of which) Non-taxable transactions		円
(Of which) Taxable transactions		5,500,000 円

Only by entering the sales amount, etc., consumption tax amount can be calculated automatically.


Amount of the taxes to be paid is 100,000 yen.

«Video-used explanations on tax return creation procedures when the special accommodation of 20% is applied»




Even the first users of the creation corner can feel secured!


Holding briefing sessions, strengthening consultation capacity



The briefing sessions targeting the entities that had newly become taxable business operators have been held 1,700 times at the tax offices nationwide by January 31 2024.



Increased the number of operators for the Invoice System-dedicated call centers and phone consultation centers for tax filing; and strengthened the system to accept more consultation requests from home of the questioners.



Strengthened the consultation capacity at the tax filing sites.

- Increased the headcount of the available staff; and secured an area that was dedicated to the professional consultation available for those who had needs for consultation on consumption tax.
- Extended the period providing free-of-charge consultation by CPTAs to the final date of the filing period for consumption tax.

~ The number of tax returns for consumption tax filed by sole proprietors significantly increased. ~

The number of tax returns for consumption tax of 2023 filed by sole proprietors was about 1.97 million, which was an increase by about 920,000 from that for 2022.

Note that the number of sole proprietors who newly became Qualified Invoice Issuers within 2023 was about 1.98 million; of which, about 1.74 million entities (about 90%) filed tax returns before the due date.

Also, about 1.05 million entities changed their position from tax-exempted business operator to Qualified Invoice Issuer; of which about 880,000 entities filed tax returns before the due date.

11 Cooperation with private organizations

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

The NTA is making public announcement and public relation actively, through various explanatory meetings etc., cooperating with relevant private organizations.

Relevant private organizations are instrumental in promoting measures for the wider uses of e-Tax, popularizing the My Number system, and holding various joint events in the "Think About Tax Week." As such, they play significant roles for realizing an adequate self-assessment system, spreading the tax knowledge, etc. through the strengthened collaboration and cooperation between the organizations.

Blue Return Taxpayers' Associations

Blue Return Taxpayers' Associations are organized for the purpose of "contributing to establishment of self-assessment system and promoting of small enterprises," mainly by sole proprietors who use the blue return system. They perform a wide range of activities: for instance, guidance on bookkeeping for sole proprietors; consultation on account settlement and tax return filing; holding various briefing sessions; provision of management support; and encouraging filling of blue return.



The website of the National General Federation of Blue Return Taxpayers' Associations [in Japanese]

Corporations Associations

Corporations Associations are organized for the purpose of "contributing to spreading the tax knowledge, maintaining and developing a proper and fair self-assessment system, as well as achieving smooth tax administration." They pursue various activities such as tax education, tax awareness campaign, conducting seminars on tax and corporate management. With the NTA's support, they promote "enhancement of corporations tax compliance with a self-check list" and hold "contests for the best picture postcards related to taxes."



The website of the National General Federation of Corporations Associations [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." They pursue various activities such as spreading the tax knowledge on consumption tax, promotion of the program to ensure complete payment of consumption taxes, recruitment of "tax slogans" (supported by the NTA), and making recommendations for improving the tax system and execution.



The website of the National Federation of Indirect Tax Associations [in Japanese]

Savings-for-Tax Associations

Savings-for-Tax Associations are organized for the purpose of "ensuring smooth payment of various taxes by means of saving funds for tax payment." They pursue various activities such as promotion of the program to ensure complete payment by due date, recruitment of "essays on tax" from junior high school students (supported by the NTA), etc.



The website of the National Federation of Savings-for-Tax Associations [in Japanese]

Tax Partner Associations

Tax Partner Associations are organized under the jurisdiction of the Tax Offices of the Osaka Regional Taxation Bureau, for the purpose of "spreading the tax knowledge, promoting proper filing of returns, uplifting tax payment morality, and thereby contributing to the development of enterprises and regional societies." They pursue various highly public activities such as provision of various briefing sessions, promotion of PR activities, and provision of educational opportunities on tax.



The website of the Tax Partner Associations [in Japanese]

1 Promotion of proper and fair taxation

~ Strict examination on malicious taxpayers, but brief contact for simple mistakes ~

While analyzing various information (content of tax returns, examination results, etc.) with attention paid to taxpayer burden and with its balanced allocation of limited human resources, the NTA conducts strict examinations for malicious taxpayers who try to illicitly evade their tax burden, by establishing appropriate examination systems; whereas, for other taxpayers, we are promoting proper and fair taxation, through making brief contacts with taxpayers (via in writing or by telephone).

■ Number of field examinations

(Thousand cases)

Tax category \ Operation year	2020	2021	2022
Self-assessment income tax	24	31	46
Corporation tax	25	41	62
Consumption tax	36	57	87
Inheritance tax	5	6	8

■ Additional tax amount of field examinations

(Billion yen)

Tax category \ Operation year	2020	2021	2022
Self-assessment income tax	53.3	80.4	101.5
Corporation tax	120.7	143.8	186.8
Consumption tax	86.2	111.0	169.3
Inheritance tax	48.2	56.0	66.9

~ Strengthening the measures for date utilization ~

The NTA is trying to develop a prediction model to extract such as the taxpayers who are likely to have failed filing proper tax returns, through extracting, processing, and analyzing necessary information from various data, as well as grasping the consistency, correlation, tendencies, etc. between the data. We will endeavor to improve the efficiency of taxation operations and sophisticate them, through combining thus-formulated prediction model and the various materials and information held by the organizations of the NTA.

(1) Priority matters addressed in the tax examinations

~ Conduct sufficient examinations for proper taxation of consumption tax ~

As consumption tax is the largest amount of national tax revenue and attracts the strong attention of the public, proper tax administration is especially necessary.

In particular, as there are cases where fraudulent consumption tax refunds were claimed through the filing of false returns, we work to prevent fraudulent refunds by instituting sufficient examinations of the facts.

Also, the NTA is working increasingly closer with customs authorities to strictly address the evasion of consumption tax by those who wrongfully traded consumption tax-free goods abusing the system of tax-free shops.

◎ Cases of examinations of consumption tax

- The NTA uncovered a case in which fictitious purchases were registered pretending that an expensive fixed asset was purchased.
- The NTA uncovered a case in which the entity pretended to be an export sales business operator, recording fictitious tax-exempt sales and taxable purchases.

~ Examination keeping in mind of increasingly diverse and international asset management ~

Regarding increasing outward investment and overseas transactions, the NTA clarifies the actual state and conducts in-depth examinations about them, by effectively using the information obtained from the records of remittances and receipts related to foreign countries, etc. as well as the information obtained as per the exchange of information system under tax treaties, etc. with competent foreign authorities (<https://www.nta.go.jp/taxes/shiraberu/kokusai/eoi/index.htm> [in Japanese]) and as per the Common Reporting Standard (CRS) (<https://www.nta.go.jp/taxes/shiraberu/kokusai/crs/index.htm> [in Japanese]).

We properly impose taxes on investment profit generated from diversified and globalized asset management conducted in particular by the affluent class. We also actively conduct examinations to accumulate information for the future proper taxation of inheritance tax.

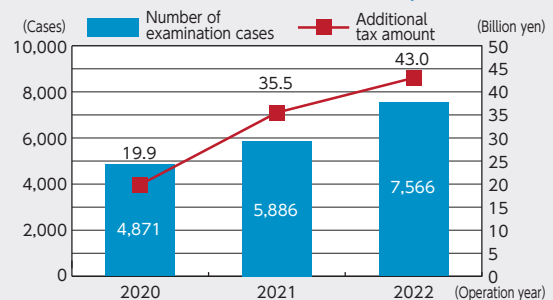
◎ Cases in which the NTA identified overseas assets not reported for Japanese tax purposes or international tax avoidance

- The NTA uncovered a case in which interest income etc. obtained from overseas financial institutions had not been included in the tax return filing, through using the CRS information and implementing a request for exchange of information under tax treaties.
- Triggered by CRS information, we uncovered a fact that the taxpayer had not included an overseas deposit account and an overseas real estate property in the tax return filing for inheritance tax.
- The NTA uncovered a case in which the entity had not included overseas investment profits in the income tax return, based on analysis of records of remittances and receipts related to foreign countries etc.

~ Identify non-filers by utilizing information ~

Since no tax return filing will cause a strong sense of unfairness to voluntary compliant taxpayers, the NTA precisely identifies non-filers by utilizing relevant material information and actively conducts examinations.

■ Examination results of non-filers (income tax, inheritance tax and corporation tax)



◎ Cases of examinations of non-filers

- The NTA uncovered a case in which a taxpayer, who had earned large profits from influencer performance, had hidden the profits in tax filing wittingly.
- The NTA uncovered a case in which a taxpayer, who had earned large profits from pet auction etc., had hidden the profits in tax filing wittingly.
- The NTA uncovered a case in which a taxpayer had inherited lots of assets, and had been aware of the necessity of filing inheritance tax return, but had responded “Tax filing is not necessary” to an inquiry letter from the competent Tax Office, and had never filed for that.

~ Precise Action Towards New Fields of Economic Activities including the Sharing Economy¹ ~

As for the response to the economic activities in new areas such as sharing economy, we strive to create an environment that enables adequate filing; for instance, calling on the users (taxpayers) via the industrial organizations, intermediate companies, etc., for proper filing. In addition, we endeavor to gather relevant information and enhance the analysis, for precisely grasping the taxpayers that might bear certain problems in taxation, to ensure provision of administrative guidance to them or to conduct tax examinations.

For more details of such efforts, please refer to the “Precise Action Taken Towards New Fields of Economic Activities including the Sharing Economy” (https://www.nta.go.jp/information/release/kokuzeicho/2019/sharingueconomy_taiio/index.htm [in Japanese]) uploaded on the NTA website.

¹ New fields of economic activities including the sharing economy” is used as a collective term for sharing business and service, transactions of crypto assets (virtual currency), online advertising (affiliate etc.), digital contents, online shopping and auctions and new other economic transactions.

~ Accurately understanding claims made by taxpayers and executing proper tax administration ~

When conducting tax examinations, the NTA consistently strives to accurately interpret assertions made by the taxpayer and study the laws and regulations based on accurate fact finding to exercise proper taxation. Towards this end, we are thoroughly adhering to the procedures and processes as defined in legal requirements

(2) Utilizing approaches other than field examinations

~ Promote various contact methods in addition to field examinations ~

In addition to utilizing data proactively for operations, the NTA has been making effort to operate its work effectively and efficiently by employing various measures other than field examinations to ensure that taxpayers voluntarily fulfill their tax duties.

◎ Efforts to ensure voluntary fulfillment of tax obligations by taxpayers

- Initiatives to encourage voluntary review and filing tax returns by contacting taxpayers using a document or over the phone, targeting the taxpayers who are supposed to make calculation errors or errors in applying relevant tax laws, as well as targeting the taxpayers who are supposed to have not filed tax returns based on information accumulated by the NTA etc.
- Initiatives to promote proper declaration by publication through the NTA website on points to pay extra attention to when filing one's tax return.

Cooperative approaches

We carry out initiatives to maintain and improve tax compliance through cooperative approaches in order to advocate voluntary efforts towards proper filing by large enterprises.

● Approach to enhance the corporate governance on tax matters

The NTA, taking the opportunities of examination of large companies, checks the status of corporate governance on tax matters (hereinafter "tax CG"), has the officers of the Taxation Bureau exchange opinions with the company executives etc., and presents them effective case examples, for enhancing their tax CG.

We are striving to maintain and improve the filing level, through increasing the number of corporations that can be expected to do adequate filing spontaneously, by encouraging large companies to enhance the quality of tax CG.

With this action, the NTA will be able to add the confirmed tax CG status to the judgment base for tax risk, so we will be able to more effectively utilize the limited human resources. In addition, from the perspective of the company, it is expected that they can reduce the occurrence risk of an inadequate tax processing, the risk of receiving error finding in tax examinations, etc.

For more details, please refer to the "Endeavors to enhance tax matter-related corporate governance (for corporations handled by the Large Enterprise Division)" (<https://www.nta.go.jp/taxes/tetsuzuki/shinsei/shinkoku/hojin/sanko/cg.htm> [in Japanese]) on the NTA website.

● Promotion of the "self-inspection of tax returns and self-audit of tax items" at large enterprises

~ Publication of check sheets by Large Enterprise Department of Regional Taxation Bureau ~

The site provides two types of check sheets: "Check sheet for tax returns," which can be used for a voluntary inspection of tax returns before submission, and "Check sheet for tax items that require special attention at large enterprises." Details of this activity are available in the "Information concerning <Self-inspection of tax returns and self-audit of tax matters> (for corporations handled by the Large Enterprise Division)." (<https://www.nta.go.jp/taxes/tetsuzuki/shinsei/shinkoku/hojin/sanko/tk.htm> [in Japanese]) of the NTA website.

For example, these sheets can be used for self-audit of a tax return right before its submission, or of failure in grasping account settlement/tax declaration adjustment items before creating a tax return, etc. Through the process, errors in final returns can be prevented, reducing the risk of receiving error findings in tax examinations.

● Establishment of consultation counter concerning transfer pricing taxation on a trial basis.

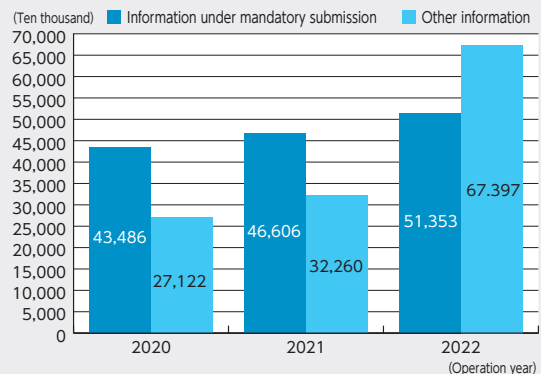
For the purpose of maintaining and improving tax compliance concerning the transfer pricing taxation for large enterprises, we established a "consultation counter concerning the transfer pricing taxation" at each Regional Taxation Bureau on a trial basis. Each counter provides information on general questions regarding the transfer pricing taxation; it also briefs on the thoughts of the tax authority and attention points in relation to application of the transfer pricing taxation, concerning specific consultation on each foreign-related transaction etc. that are subject to the requirement of the transfer pricing documentation.

(3) Data and Information

~ Collect data and information through every opportunity to use such information for accurate guidance as well as tax examinations ~

The NTA, through every occasion, collects a variety of information through the information inquiry procedures and found in the course of tax examinations, in addition to the withholding records of employment income, payment records of dividend, etc. The NTA uses such information for guidance as well as tax examinations

Number of information items collected



(4) Criminal investigation

~ Pursuing criminal responsibility of malicious tax evaders ~

Tax criminal investigation aims to pursue criminal responsibility of malicious tax evaders and to contribute both to realizing proper and fair taxation and to maintaining the self-filling system by taxpayers through the effect of "punishing one serves as a warning to all."

~ Proactive engagement with cases of high social impacts ~

In FY2023, in view of the purpose of the tax criminal investigation, the NTA focused on and actively engaged with the cases of high social impacts, such as consumption tax cases, non-filing cases, international cases, and cases concerning other social trends.

As a result, the NTA accused criminals in some cases as follows: a fraudulent refund of consumption tax case where fictitious taxable purchases and tax-free export sales had been recorded by forging documents using serial numbers of the same luxurious watch or passport copies of those wrongfully obtained; a non-filing case where incomes were hidden by creating false consulting contracts, although profits had been received from affiliate businesses.

PR leaflet of the NTA Criminal Investigations



The NTA proactively engages in PR on taxation and tax collection, through lectures and tax education.

◎ An example of accusation to the prosecutors in FY2023

The NTA accused a case where multiple taxpayers had evaded corporation and consumption tax, using a scheme devised by a tax evasion undertaker who had asserted that it is a scheme of tax-saving despite that it suggested recording false expenses for tax evasion and had secured membership from many taxpayers.

Status of criminal investigations

Fiscal year	Number of cases conducted	Number of cases closed	Number of cases with accusation filed to the prosecutor	Total amount of tax evasion cases (accusation filed to the prosecutor)	Amount of tax evasion per case (accusation filed to the prosecutor)
	Cases	Cases	Cases	Million yen	Million yen
2021	116	103	75	10,212 (6,074)	99 (81)
2022	145	139	103	12,760 (10,019)	92 (97)
2023	154	151	101	11,980 (8,931)	79 (88)

* Figures of tax evasion include additional taxes.

Rulings in the first trials of criminal investigation cases

Fiscal year	Number of judgements ①	Number of convictions ②	Percentage of cases convicted ②/①	Number of convictions with prison sentences without probation ③	Amount of tax evaded per case ④	Term of prison sentence per person ⑤	Amount of fines per person (company) ⑥
	Cases (5)	Cases (5)	%	Persons (3)	Million yen (4)	Months (5)	Million yen (6)
2021	117	117	100.0	5	64	15.7	15
2022	61	61	100.0	3	47	13.6	12
2023	83	83	100.0	9	58	15.6	15

※ 1 Figures in the brackets indicate cases combined with non-tax crimes.

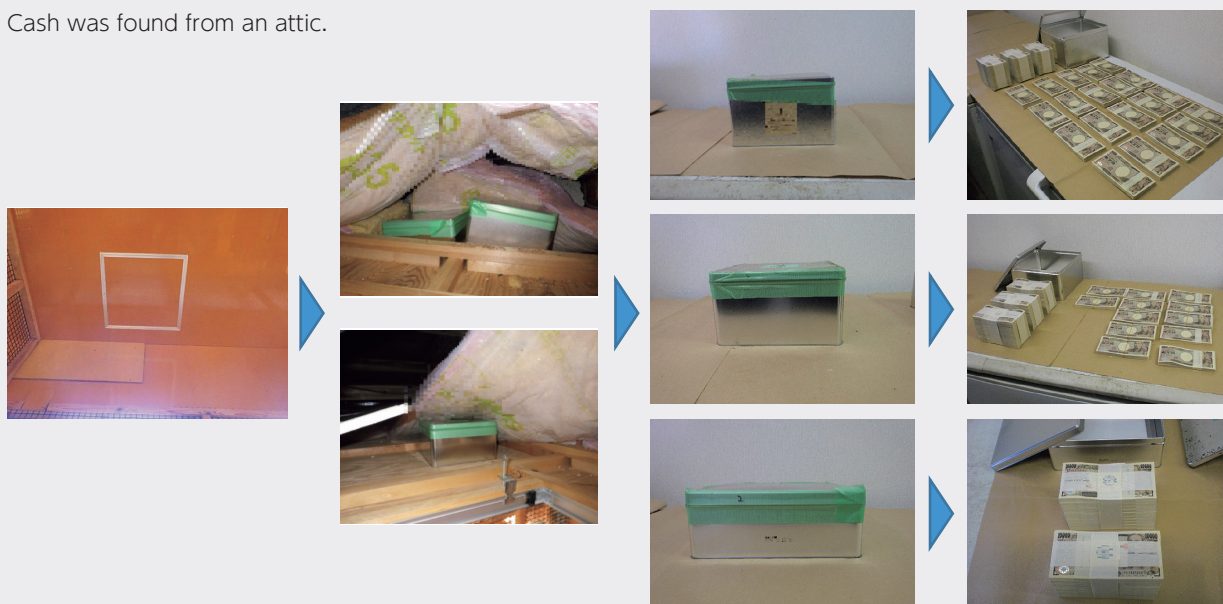
※ 2 ④ to ⑥ exclude those combined with non-tax crimes.

◎ Examples in FY2023 resulted in conviction

A drugstore, authorized as an export goods store, received or attempted to receive fraudulent refunds of consumption tax, through recording fictitious tax-free export sales, by disassembling cosmetic goods etc. had been sold to foreign travelers. In this case, a sentence of 4 years' imprisonment was given to the chief representative of the corporation and a sentence of 3 years' imprisonment was given to the accomplice (without probation in either case). Additionally, a sentence of 2 years' imprisonment (without probation) was given to the chief representative of another corporation in which the above accomplice was involved, quoting that the person as well had received fraudulent refunds of consumption tax and illegally avoided consumption tax payment using the same method.

An example of hidden properties found during criminal investigations

Cash was found from an attic.



■ Web-TAX-TV: We never miss tax evasions! ~Missions of national tax investigators~



In the program of "Web-TAX-TV" (Internet program released by the NTA), work of national tax investigators, eager to smoke out tax evaders daily, is introduced in the form of a TV drama.

Please watch it for your reference.



[The video is here]

2 Ensuring tax payment

(1) Establishment of voluntary tax payment

~ Approximately 79.8 trillion yen of taxes were paid within the fiscal year (98.9% were paid within the fiscal year) ~

Self-assessed national tax becomes revenue when paid into the national treasury. In FY2022, about 80.6 trillion yen of taxes (amount determined for collection) were self-assessed to Tax Offices. Of this, about 79.8 trillion yen of taxes were paid into the national treasury (collected amount) within the fiscal year, for a 98.9% collection ratio.

~ Measures to prevent delinquencies ~

To prevent delinquencies, the NTA is providing a variety of payment methods such as tax payment by account transfer, direct tax payment (account transfer via e-Tax) etc.; given that, we are proactively conducting dissemination and PR on payment deadlines and saving funds for tax payment, through the following: posting various tax payment-related information (the above-mentioned payment methods, how to pay taxes following a plan etc.) at the corner of “General guidance on tax payment” on the NTA website; receiving cooperation from related private associations, CPTAs associations etc.



General guidance
for tax payment
[in Japanese]

To ensure payments in a planned manner, the NTA has introduced various payment options, such as transfer tax payments and advance payment utilizing direct payment, while promoting active adoption of these options.

In addition, a written notice on payment due date is sent or a phone call is made on that in advance to taxpayers who have paid after due date previously. In case payment due date has passed, we encourage them to ensure payment before the payment demand letter is sent.

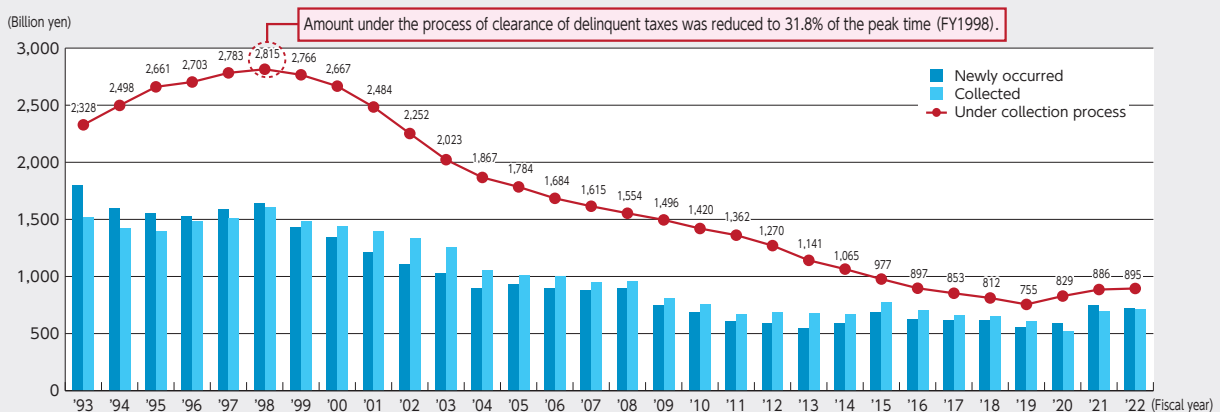
※ Delinquency signifies that the national tax was not paid by due date and a payment demand letter was sent.

(2) Efforts to promote reduction of tax delinquency

~ Amount under the process of clearance of delinquent taxes reduced to 31.8% of the peak time ~

At the end of FY2022, the total amount of delinquent taxes was 894.9 billion yen.

■ Trend of collection of delinquent tax, for all tax categories



※ 1 Figures are current cases under the collection process of delinquent taxes.

※ 2 Figures for local consumption tax are not included

Amounts under collection process remains high at approximately 900 billion yen.

→ Continue to work on preventing and reducing delinquencies with cooperation of all Tax Bureaus and Offices.

For delinquent national taxes, from the viewpoint of fairness with the great majority of taxpayers who pay within the due date, the NTA is working for early completion, and works to resolve delinquencies under the following basic policy.

~ Appropriate action in collection while considering each delinquent taxpayer's situation ~

In the collection of delinquent taxes, we encourage a voluntary payment and confirm the taxpayer's intention to pay while we will determine the resolution policy after fully understanding the situation of each delinquent taxpayer, such as the condition of its business, assets and balance of income and expenditure.

In particular, should the taxpayer consult with the NTA concerning difficulties it may have in paying in a lump sum, we will consider applying measures to ease conditions of the tax payment, such as grace of tax payment or asset conversion, after listening carefully to the taxpayer's circumstances, and permit payment in installments provided it satisfies the requirements of laws and regulations.

On the other hand, should sincere intentions towards payment of taxes not be recognized, including where repeated defaults of payment commitments are made, the NTA will take disposition for collecting delinquent tax, such as seizure and auctioning off of assets in a timely and appropriate manner.

~ Strict and resolute handling of large and malicious delinquent cases ~

When collecting delinquent tax in a large and notably malicious delinquency case, strict and resolute action is taken, such as search and seizure or collection of delinquent tax through public auctions, exercised in a timely and appropriate manner.

In addition, stricter actions are taken in especially malicious cases with an attempt to hide assets or otherwise evade execution of disposition for delinquent tax¹. This crime of evading disposition for collecting delinquent tax is referred to the prosecutor.

◎ Case examples of accusation filed to the prosecutors in FY2023

The NTA accused a case in which estate was hidden by the entity through having the transaction partners wire the funds for account receivables to a deposit account in the name of a new company, after setting the new company using the katakana representation of the taxpayer's name as its corporate name for the purpose of avoiding execution of a coercive collection for the delinquent taxes.

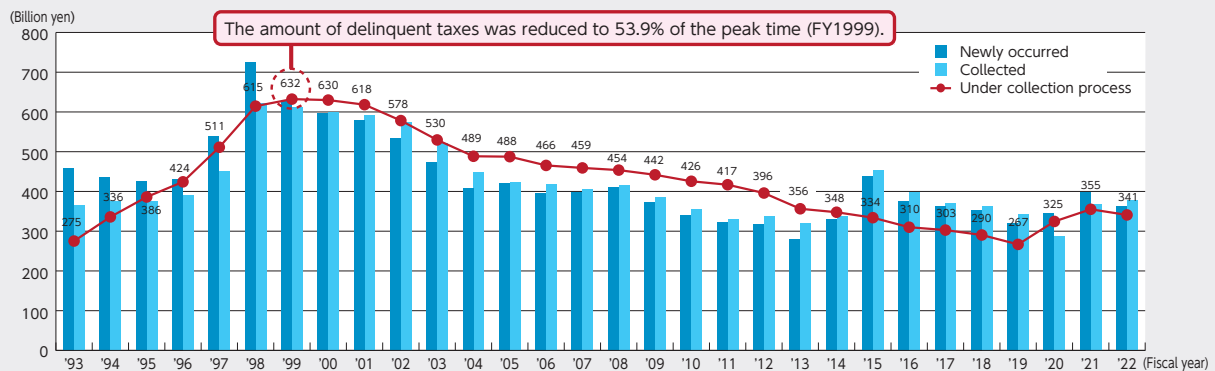
~ Organizational response to difficult-to-handle cases ~

For delinquency processing of difficult-to-handle cases including complicated transactions and disguised transfer of assets, the NTA is proceeding with delinquency clearance proactively using legal methods: for instance, ① securing sufficient workforce to clarify the case and take a systematic action, to enable support based on a wide-area operation, or to form a timely project team to execute coercive collection for delinquent taxes etc.; ② filing a lawsuit with the government playing the plaintiff, such as a lawsuit requiring cancellation of a detrimental act² etc.

~ Certain handling of consumption tax delinquency cases ~

With respect to delinquency of consumption taxes, the NTA is striving to reduce the balance of delinquent consumption tax in a decisive manner such as by making sure that new cases are dealt with swiftly.

■ Trend of collection of delinquent consumption tax



※ 1 Figures are current cases under the collection process of delinquent taxes.
 ※ 2 Figures for local consumption tax are not included.

1 If actions such as hiding assets are done to evade seizure or other disposition for collecting delinquent taxes, up to 3 years in prison or up to a 2.5 million yen fine, or both of them can be imposed.
 2 A lawsuit to demand the rescission of fraudulent act is a lawsuit to negate the validity of a legal act (fraudulent act) regarding assets between the delinquent taxpayer and third party, where such act harms the claimant (country). The lawsuit aims to take back from the third party that asset separated from the delinquent taxpayer and return it to the delinquent taxpayer.

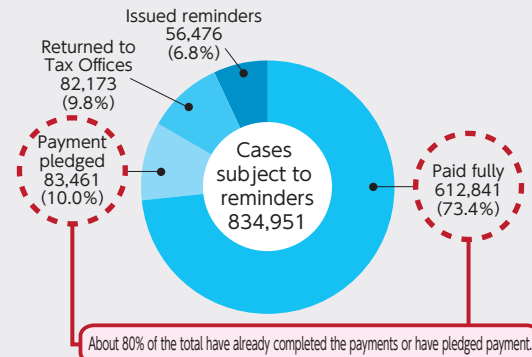
(3) The Office of Tax Collections Call Center

~ Conduct effective and efficient phone notices ~

The Office of Tax Collections Call Center is broadly in charge of new delinquency cases. This office makes system-assisted phone calls as reminders for payment, to ensure effective and efficient collection of delinquent taxes.

Over the year from July 2022 to end of June 30, 2023, The NTA sent demand letters to about 830,000 people, as part of the efforts, of which about 610,000 people (73.4%) have already fully paid and about 80,000 people (10.0%) have pledged payment.

Collection of delinquent taxes by the Office of Tax Collections Call Center



※“Returned to Tax Offices” figure represents the number of taxpayers for whom jurisdiction was changed from the Office of Tax Collections Call Center to each competent Tax Office.

(4) Public auctions

~ Sold about 2,030 items through public auctions ~

Regarding the properties seized as a means of disposition for collecting delinquent tax, the NTA sells them through a bid or in a public auction and the proceeds are appropriated as the collection of delinquent taxes.

During a year between July 2022 and June 2023, 242 public auctions in total were conducted nationwide. As a result, about 2,030 items (real estate properties, cars, jewelry items, etc.) were sold and the total amount of the proceeds was about 5.4 billion yen.

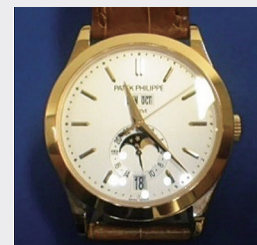
Regarding the list of items to be put subject to a public auction by the Regional Taxation Bureaus throughout Japan and each auction schedule, you can confirm the details in the section of “Public auction information” on the NTA website.

- ※ 1 Bidding procedures can also be carried out online from the above website.
- ※ 2 Auction process is also covered at private auction sites as well.



Public auction information
[in Japanese]

Examples of properties that were sold through public auction between July 2022 and June 2023



(5) Accurate and efficient management of claims and liabilities

~ Prompt process realized by advanced use of systems ~

Tax Offices use systems so that the management operation for the national tax claims and liabilities, that arise from tax return filings and refund filings in huge volume, can be processed accurately and efficiently.

There are about 43.24 million tax payment cases each year. To efficiently process this amount of payments, the NTA is using optical character recognition (OCR)¹ for processing tax payment slips at the Bank of Japan, and adopted online tax payment, direct payment, and others in addition to transfer tax payment for income tax and sole proprietors' consumption tax. The NTA is also pursuing efficient and speedy refunds by adopting online transfer procedures.

3 Response to fraudulent refunds of consumption tax

~ To protect the trust in the consumption tax system ~

Among the national tax categories, consumption tax is the largest tax category in the amount of revenues.

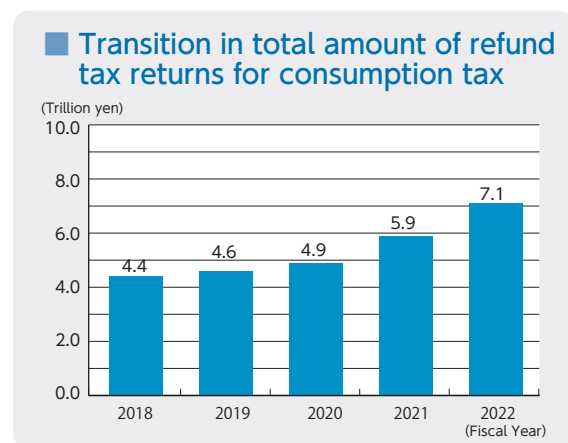
Many taxpayers are filing tax returns and paying taxes correctly. On the other hand, there arise fraudulent cases to receive refunds of consumption tax one after another, through abusing the consumption tax system in that false contents are filed for fictitious transactions. Such fraudulent refund cases of consumption tax may severely damage the trust by taxpayers in the consumption tax system, so we are responding to them as one of the priority issues.

(1) Status quo of fraudulent refunds of consumption tax

① Transition in amount of tax returns

~ Total amount of refund tax returns for consumption tax shows an increasing trend year after year ~

Amount of refund tax returns for consumption tax has kept showing an increasing trend in recent years. Total amount of refund tax returns for consumption tax filed by individuals and corporations exceeded 7 trillion yen in 2022.



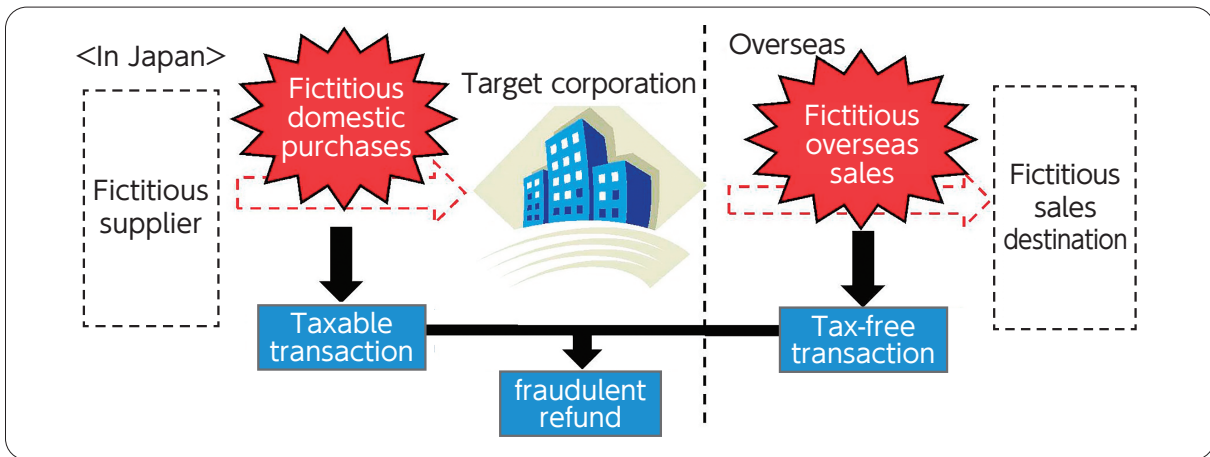
② Representative methods of fraudulent refunds of consumption tax

~ There are various fraud methods ~

a. Cases where fictitious domestic purchases and fictitious export sales are recorded

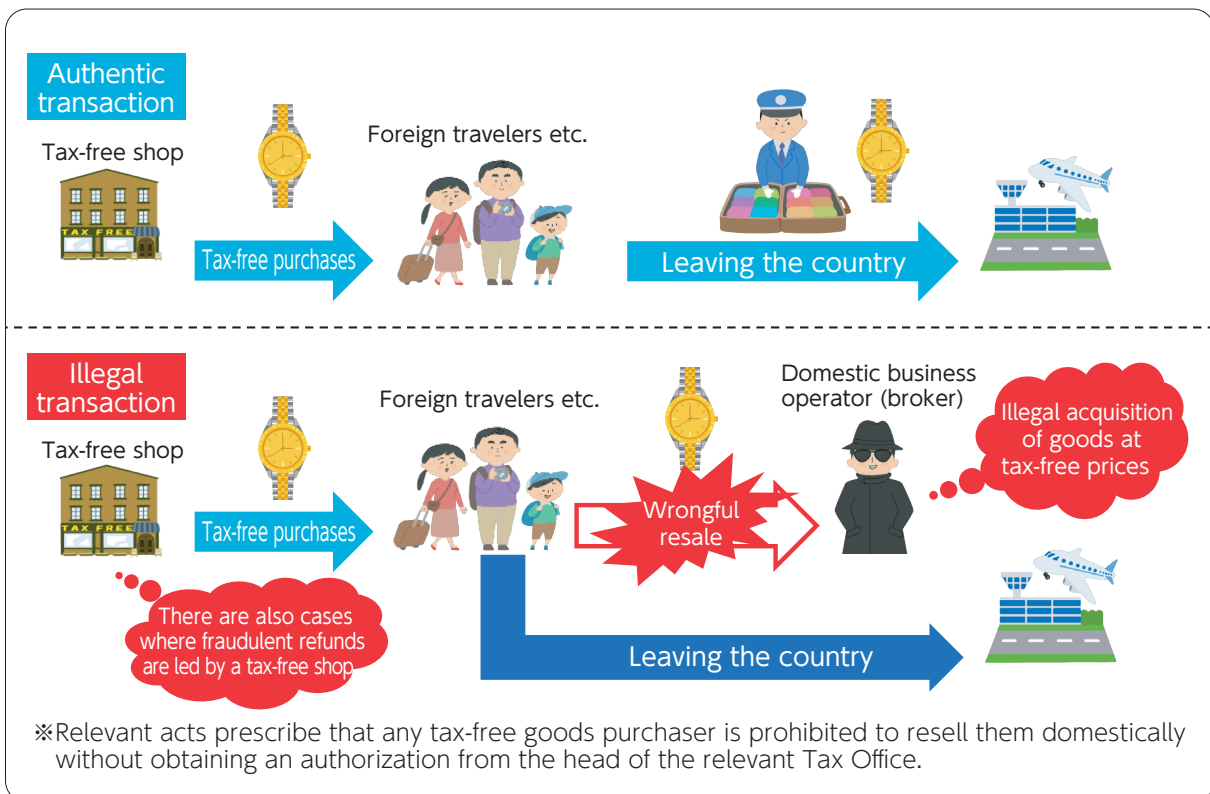
When a business operator trades goods in Japan, consumption taxes are imposed on them (taxable transactions); whereas when goods are sold to overseas buyers (exported), consumption taxes are waived (tax-free transactions). A business operator deducts the amount of consumption taxes on purchases from that on sales when filing a final return; if the calculation result is a negative amount, the amount can be refunded. From time to time, we capture cases where abusing this system, the refund is fraudulently applied through a disguise of purchasing goods in Japan and exporting them overseas.

¹ OCR processing (optical character recognition processing) converts the characters written on a tax payment slip into electronic data. This electronic data is communicated between the Bank of Japan and the NTA, providing more efficient information transfer and paperless processing.



b. Cases where goods purchased at tax-free shops were resold in Japan

Tax-free shops may sell goods waiving consumption taxes to certain foreign travelers etc. (eligible tax-free goods purchasers) by applying certain procedures, just like the cases of goods exports (Export Goods Store System). To apply the system correctly, the foreign travelers etc. must bring the goods purchased at tax-free prices outside the country. However, in recent years, from time to time, following malicious cases have been captured: fraudulent profits-earning cases where massive tax-free goods are purchased for a large amount, and they are resold domestically instead of being brought outside the country, under the instruction of a domestic business operator (broker) etc.; similar-structure cases but under the lead by a tax-free shop etc.



Reviews of the Export Goods Store System

There occur many fraudulent incidents where it is suspected that tax-free purchased goods of a large amount and of a large volume are not brought out overseas and instead are resold domestically. Even if the customs capture foreign travelers not holding tax-free purchased goods at the time of their departure and try to execute an immediate collection, many of such cases only lead to delinquency. In this sense, malicious utilization of the export goods store system has reached a status that can be no longer overlooked.

Given such real situation, the Outline of FY2024 Tax Reform Proposals (decided in the Cabinet meeting held on December 22, 2023) “required retention of the information confirmed at the customs as obtained through the tax-free sales management system of the government [tentative naming], as a new requirement for tax-free sales.” This way, the direction of the system revision was clearly indicated in that tax-free sales will be authorized when taking-out of tax-free purchased goods are confirmed by the customs at the time of departure.

Note that it was decided that they will reach a conclusion on the details of the system revision in FY2025 Tax Reform.

(2) Our initiatives against fraudulent refunds of consumption tax ~ Never miss fraudulent filing returns for refund ~

To curb fraudulent refunds of consumption tax, it is important not to miss any suspicious application and not to leave any malicious taxpayer intact.

To enable proper responses to any case of abusing the consumption tax system, for each of the stages from tax declaration to administrative guidance and investigations to collection, we are striving to take the following measures in collaboration with relevant departments throughout the organization:

① implement stricter assessment for refund returns; ② proactively conduct examinations with an eye on malicious methods etc. (case analysis, data usage); ③ enhance the organizational structure (install a dedicated dept, expand existing dept); ④ pursue prevention measures through PR activities etc.

a. Enhancing the assessment for refund returns

Refund returns for consumption tax include not only fraudulent refunds, as specified above, but also those resulting from erroneous application of relevant acts. Therefore, when a confirmation step is necessary referencing various information, we endeavor to confirm the causes of each refund return or the tax amount for return through asking for submission of needed documents or conducting field examinations, while once suspending the payment of refund. As a result, we will ensure a proper remedy if there was an error in refund amount. On the contrary, if judged that there is no error in the application contents, we will make a refund promptly.

b. Enhancing the field examinations

Methods of fraudulent refund have always evolved over time. We firstly secure necessary human resources, for gathering various documents (purchase record information etc.) and analyzing them, and clearly view the target scope, to ensure the implementation of strict examinations. As a result, we conducted 6,392 field examinations targeting the individuals and corporations that had applied for refunds of consumption tax, in the period between July 2022 and June 2023; and we secured additional tax collection of about 57.7 billion yen.

Also, regarding particularly malicious criminals of fraudulent refund, the NTA conduct criminal investigations against them and accuse them to the prosecutors for severely pursuing their criminal responsibilities. During the period between April 2023 and March 2024, the NTA accused criminals in 16 fraud request cases for refund, with the amount received as refund or to be received as refund totaling 454 million yen: for example, a case where fictitious taxable purchases and fictitious tax-free export sales were recorded, through forging documents by using serial numbers for a single luxurious watch and copies of passports wrongfully obtained; a case where fictitious tax-free export sales were recorded through using forged passport information concerning the tax-free goods that were sold to convenience stores in fact etc.

It is notable that the criminal cases of fraudulent refund, to which the first-trial sentence was given between April 2023 and March 2024, were all guilty. The severest penalty among them was a prison sentence of 4 years (no probation).

■ Fraudulent refund cases of consumption tax: Number of cases accused and the total amount received fraudulently

Fiscal year	2019	2020	2021	2022	2023
Number of cases accused	11	9	9	16	16
Amount of fraudulent refund received (Million yen)	323	384	434	1,347	454

※ 1 The number of cases accused includes the cases where tax evasion was also committed.

※ 2 The total amount received fraudulently excludes additional taxes and includes refund cases where the refund is yet to be received.

c. Enhancing the organizational structure

To properly respond to fraudulent refund cases of consumption tax, we are proactively implementing examinations while newly installing functions and increasing headcount dedicated to consumption tax examinations, such as Chief Examiners for Regional Taxation Bureaus, consumption tax specialists for Tax Offices etc. Also, we are endeavoring to strengthen the examination capabilities of the whole the NTA organization through conducting refund assessments and consumption tax examinations, with the officers of Regional Taxation Bureaus holding specialty knowledge and know-how, consumption tax specialists of Tax Offices, and general staff of Tax Offices collaborating for them.

In addition, we are making efforts to foster personnel for both national taxes and the customs operation, through pursuing personnel exchange with the customs offices.

d. Prevention of misdeeds through PR activities

While carrying out strict assessment for refund requests and examinations and making efforts for collection, we are earnestly performing PR and enlightenment activities, like the message “Never forgive fraudulent refunds of consumption tax!” posted to “Web-TAX-TV” an Internet program available on the NTA website. As such, we are striving to prevent fraudulent refunds.

■ Web-TAX-TV: Never forgive fraudulent refunds of consumption tax!



National tax examiners, who felt suspicious about the contents of one fraudulent refund of consumption tax, started an examination and it ended up with clarification of the fraud structure; the whole course is dramatized and aired in an easy-to-understand manner.

Please look at it.



【The video is here】

4 Addressing international transactions

～ Increase of public interest in international tax avoidance cases ～

Year after year, the economy has been getting more globalized with an increase in overseas investment by individual investors and overseas transactions conducted by corporations. Under such circumstances, public interest has been significantly increasing on international tax avoidance cases. Those include hiding assets overseas by the affluent class and corporations that conduct overseas transactions and reducing tax burden using the differences in tax systems between jurisdictions.

(1) Actions against international tax avoidance

To appropriately respond to international tax avoidance by the individual investors conducting overseas investments and the companies conducting overseas transactions, the NTA is proactively conducting examinations etc., while promoting the following: (1) enhancement of information resources (strengthening of information collection and utilization); (2) enhancement of human resources for examinations (improvement and expansion of the execution system); and (3) strengthening of global networks (including collaboration with foreign tax authorities).

① Enhancement of information resources (reinforcement of information collection and utilization)

~ Detect precisely cross-border transactions and domestic and foreign assets ~

The NTA adopts the following systems to precisely detect overseas transactions and assets within and outside of Japan, while comprehensively analyzing collected or given information and others to deal with cases of international tax avoidance adequately, for the purpose of detecting the income flows from cross-border economic activities and realizing appropriate and fair taxation.

a. Records of remittances and receipts related to foreign countries

Records of remittances and receipts related to foreign countries are reports to be submitted to Tax Offices by financial institutions that conduct outward and inward overseas remittances over 1 million yen. The record states the name and address of the sender and receiver of funds, remittance amount etc.

■ Number of records of remittances and receipts related to foreign countries submitted

Operation year	2016	2017	2018	2019	2020	2021	2022
Records submitted (Million)	6.35	7.22	6.92	6.55	6.59	7.26	7.90

b. Foreign asset statements

Those who have foreign assets totaling over 50 million yen as of December 31 in the year are to submit a statement describing the types and values of the foreign assets, etc. by June 30 of the following year to Tax Office.

■ Number of foreign asset statements submitted and total amount of assets reported

Calendar year	2016	2017	2018	2019	2020	2021	2022
Statements submitted	9,102	9,551	9,961	10,652	11,331	12,109	12,494
Total assets (Billion yen)	3,301.7	3,667.2	3,901.4	4,258.5	4,965.4	5,636.4	5,722.2

c. Statements of assets and liabilities

(1) Those who earn an income of over 20 million yen in the year, and have assets totaling 300 million yen or more or securities etc. totaling 100 million yen or more as of December 31 in the year, or (2) those who have assets totaling 1 billion yen or more are to submit a statement describing the types and values of the assets, the amount of debt, etc. by June 30 of the following year to Tax Office.

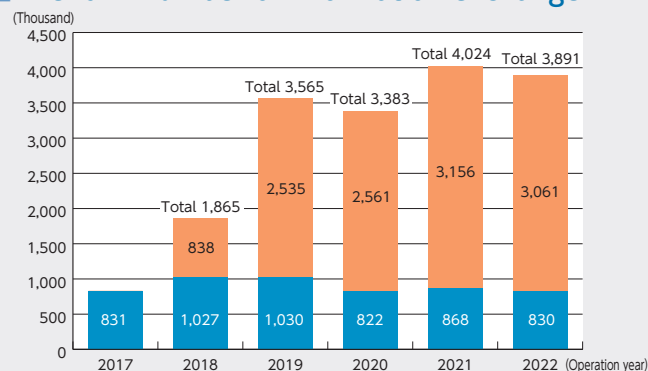
■ Number of statements of assets and liabilities submitted and total amount of assets reported

Calendar year	2016	2017	2018	2019	2020	2021	2022
Statements submitted	73,360	73,427	72,633	72,248	72,215	75,005	74,772
Total assets (Billion yen)	79,353.6	87,589.5	86,882.5	93,257.1	99,870.9	105,123.8	108,125.4

d. Exchange of information under tax treaties etc.

Regarding the cross-border transactions, the NTA acquires the necessary information for proper and fair taxation and tax collection from other jurisdictions through implementing information exchange with foreign tax authorities under bilateral tax treaties, the Convention on Mutual Administrative Assistance in Tax Matters, etc. (as of May 2024, Japan has 86 tax treaties etc.¹ in force, which cover 155 jurisdictions).

■ Trend in number of information exchange



※ The number of information exchange represents the total of provisions and receipts in each operation year.

Orange color portion: The number of information exchange cases on financial account information of non-residents by CRS and on CbC report.
Blue color portion: The number of information exchange on request, spontaneous and automatic (for statutory records)

e. Automatic exchange of financial account information of non-residents based on the Common Reporting Standard (CRS)

To address international tax evasion and avoidance performed through foreign financial institutions, the OECD formulated the Common Reporting Standard (CRS) which is the international standard for regularly exchanging financial account information of non-residents (name, address, account balance, etc.) with the tax authorities of other jurisdictions. Japan also exchanges relevant information with other foreign tax authorities based on this framework. The NTA uses the information received to detect and identify financial assets located overseas and income generated through those assets, and cross-border transactions with taxation issues after analyzing the information together with other documents and information, such as records of remittances and receipts related to foreign countries and foreign asset statements.

■ Automatic Exchange of Information concerning financial accounts of non-residents under the CRS

	Receipt				Provision			
	July 2021~June 2022		July 2022~June 2023		July 2021~June 2022		July 2022~June 2023	
	Number of jurisdictions	Number of accounts	Number of jurisdictions	Number of accounts	Number of jurisdictions	Number of accounts	Number of jurisdictions	Number of accounts
Asia and Pacific	17	1,644,896	18	1,794,550	12	536,650	13	402,294
North America and Central & South America	20	216,480	22	156,707	16	40,744	17	44,481
EU and NIS Countries	43	325,978	42	294,474	42	67,976	40	78,060
Middle East and Africa	14	313,310	13	280,450	7	6,424	8	7,202
Total	94	2,500,664	95	2,526,181	77	651,794	78	532,037

◎ Effective use cases of the CRS information

- Based on CRS information, the NTA detected a fact that an officer of a domestic corporation holds funds of a large amount in a financial account located overseas, so we investigated the source of funds. As a result, we grasped that the officer had not included investment income of a large amount in tax returns including the interests and dividends paid to the person.
- Based on CRS information, the NTA detected a fact that the chief representative of a domestic corporation holds an overseas deposit account and that the person had excluded some commission income from the company's sales revenue by having the account in the personal name of the chief representative collect the said commission income.
- Based on CRS information, the NTA detected an overseas deposit account in the name of a foreign corporation of which an officer of a domestic corporation is assumed to be the beneficial owner; as a result of analysis of its transactional relationships, we found as fact that the income of the foreign corporation should have been included in the income of the said officer, because the Controlled Foreign Corporation rules are applicable to the case.

¹ The term "Tax Treaties etc." refers to tax treaties, information exchange agreements, the Convention on Mutual Administrative Assistance in Tax Matters and the private-sector arrangement with Taiwan.

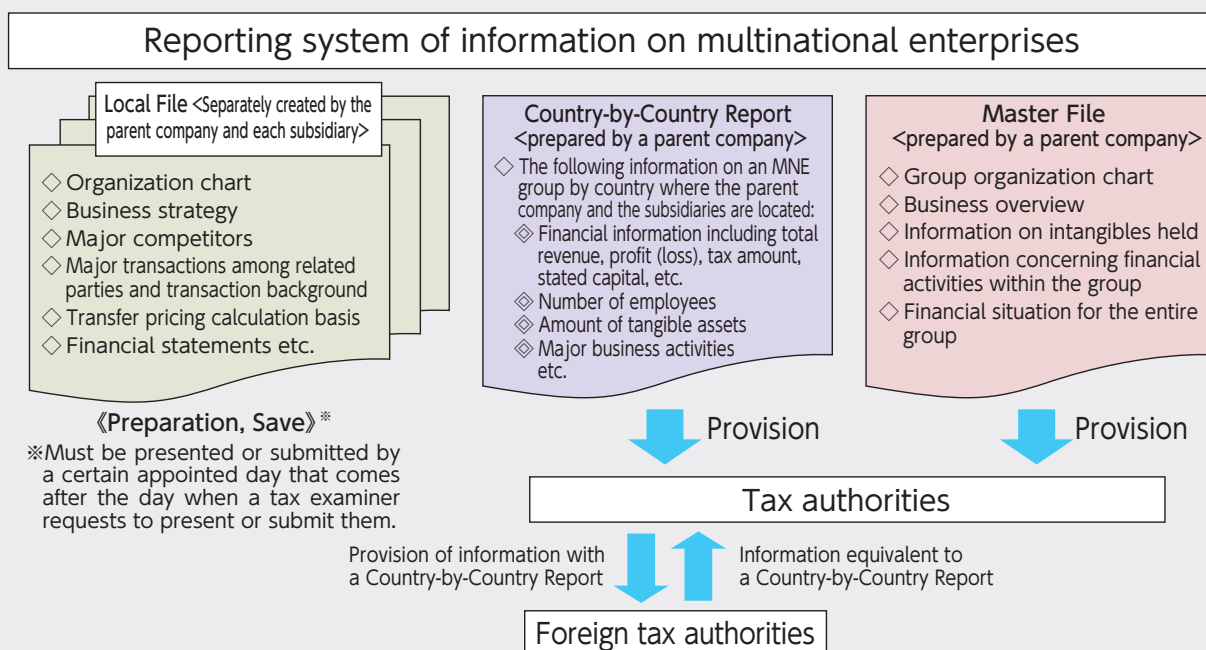
f. Reporting system for information on multinational enterprises

For the purpose of understanding the global activities and the actual situation of tax payment by multinational enterprises (MNEs), certain corporations are obligated to provide (or prepare and save) the following information to the relevant Tax Office: (1) Country-by-Country Report [CbCR], (2) Master File, and (3) Local File¹.

The ultimate parent entity of any MNE group over a certain size is obligated to provide CbCR to the tax authority of its resident jurisdiction in Japan. In operation year 2022, the NTA received information on 2,237 groups from the tax authorities of 53 jurisdictions and provided information on 866 groups to the tax authorities of 61 jurisdictions.

The NTA is effectively using such information in the process of assessing the transfer pricing risk and tax avoidance risk among MNEs.

■ Conceptual diagram of a reporting system of information on multinational enterprises



② Enhancement of human resources for examination (establishment and expansion of an execution system)

~ Establishment of dedicated divisions and project teams ~

To deal with international tax avoidance, the NTA ensures that a dedicated section be established within the Regional Taxation Bureaus and the Tax Offices. In addition, particularly regarding the taxpayers who are recognized to hold of assets a large amount among the affluent class people, the NTA sets a project team targeting priority affluent taxpayers in each Regional Taxation Bureau across the country, which collects and analyzes various kind of information by managing the target taxpayers together with the related people and the related companies.

③ Reinforcement of global networks

~ Enhance cooperation with the foreign tax authorities ~

With cross-border economic activities being more active, it is essential to cooperate with the foreign tax authorities to ensure proper and fair taxation. The NTA has been striving to enhance cooperation with foreign tax authorities.

¹ The ultimate parent entity of an MNE group that earns a total revenue of 100 billion yen or more in the preceding fiscal year of the ultimate parent entity is required to submit a Country-by-Country Report and a Master File via e-Tax no later than one year after the last day of the fiscal year of the ultimate parent entity.

a. Participation in global frameworks

(a) Formulation and implementation of international agreements

The BEPS Project was initiated by the OECD to address tax avoidance by MNEs exploiting gaps and mismatches in tax rules. Working together with the G20 members that are non-OECD countries, the final report was publicized in October 2015.

It provides 15 Actions that equip governments with the domestic and international instruments needed to review the overall international tax rules, address international tax avoidance by MNEs and increase the transparency of each jurisdiction's tax system and MNEs' business activities. The NTA has been proactively engaged in implementing those Actions appropriately. For detailed information on each Action, please refer to the section titled "BEPS Project" on the NTA website (<https://www.nta.go.jp/taxes/shiraberu/kokusai/beps/index.htm> [in Japanese])

(b) Participation in the OECD and other international efforts

The recommendations in the final BEPS project report need to be implemented not only in the OECD member countries but also in many other countries and regions including emerging and developing countries. Therefore, "Inclusive Framework on BEPS" has been established. 147 jurisdictions including Japan are participating in this framework as of May 2024, and the member jurisdictions have been conducting mutual assessment about the implementation status of the recommended actions and discussing possible revisions of the recommendations. As one of the latest subjects, the members have been discussing the Two-Pillar Solution to address the tax challenges arising from the digitalization of the economy (that is, establishing a taxing right for market jurisdictions [Amount A] and the simplified and streamlined application of the transfer pricing rules [Amount B] under Pillar One; and the global minimum tax under Pillar Two), and the content from the Amount B report released has been incorporated into the OECD Transfer Pricing Guidelines. Additionally, regarding Pillar Two, model rules and administrative guidance for introducing global minimum tax in each country were agreed and publicized. In Japan, Income Inclusion Rule of the global minimum tax was legislated in the FY2023 tax reform, and it went into effect on April 1, 2024.

In addition, regarding exchange of information under tax treaties etc., the legal framework and the implementation status in each jurisdiction are mutually assessed at the "Global Forum on Transparency and Exchange of information for Tax Purposes" in which 171 jurisdictions participated as of May 2024.

Moreover, at the "Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC)" of the "OECD Forum on Tax Administration," members are taking part in activities with the objective to share information among member countries, and to work together on common challenges, such as international tax avoidance. The NTA is actively participating in these activities and discussions.

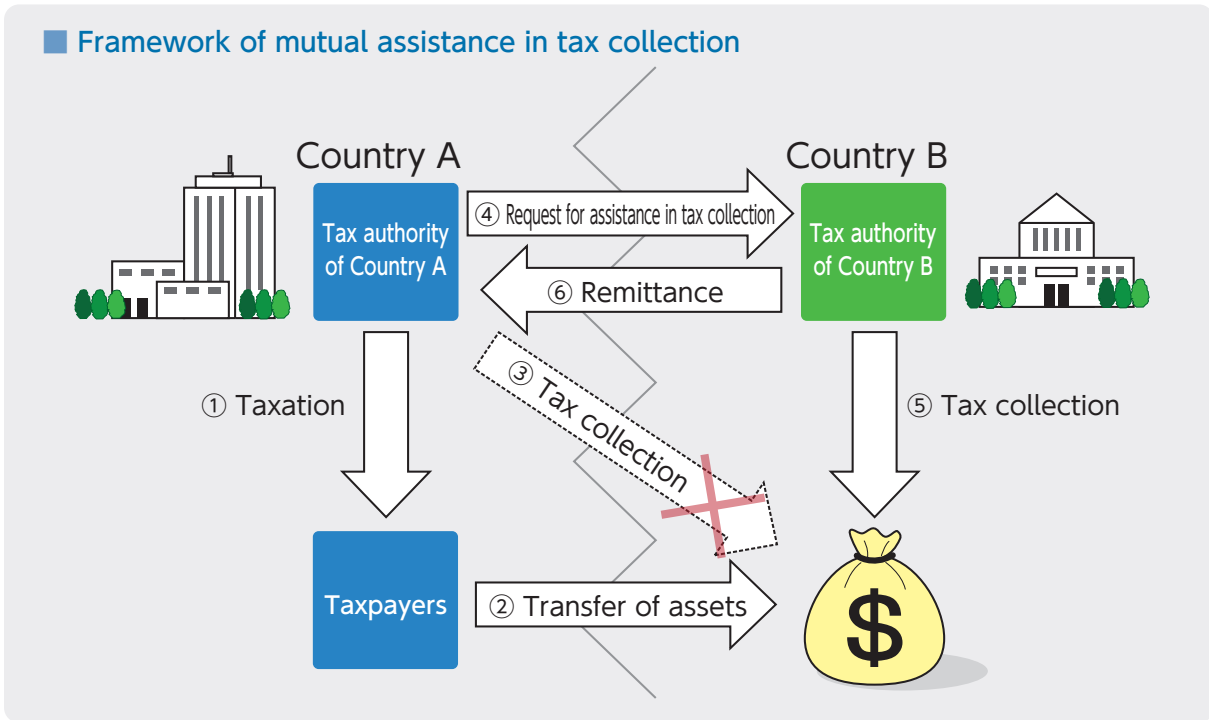
b. Utilization of a mutual tax collection assistance system

A country's tax authority cannot exercise its public authorities outside the country's territory for the purpose of tax collection. For this reason, in order to deal properly with international tax collection evasion through transfer of assets overseas, a framework of "mutual assistance in tax collection" which enables each country's tax authority to mutually collect tax claims of treaty partners is adopted in tax treaties.

The NTA promotes international tax collection by actively utilizing the mutual assistance system for tax collection under treaties such as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters¹.

¹ It is a multilateral convention on mutual assistance for the exchange of tax-related information, tax collection and service of documents and has become effective in 143 jurisdictions including Japan (as of June 1, 2024).

■ Framework of mutual assistance in tax collection



■ Web-TAX-TV “Chase overseas assets! Efforts for International Collection”



In the movie, revenue officers conduct tax collection using the mutual assistance system for tax collection based on tax treaties targeting malicious tax delinquency cases where delinquent taxpayers transfer assets to overseas for tax avoidance.

Please look at it.



[Refer to a video here.]

c. Mutual Agreement Procedure (MAP)

When a taxpayer makes a request regarding international double taxation arises from transfer pricing adjustments or others, the NTA enters into Mutual Agreement Procedure (MAP)¹ with relevant foreign tax authorities based on the provisions of applicable tax treaties to resolve such double taxation. In addition, the NTA enters into MAP for Advance Pricing Arrangement (APA)² in view of the predictability for taxpayers and the proper and smooth administration of the transfer pricing taxation³.

The NTA makes every effort to resolve the MAP cases appropriately and promptly. Specifically, we have been ensuring the adequate number of staff and establishing cooperative relationships with relevant foreign tax authorities for swift and smooth MAP negotiations⁴.

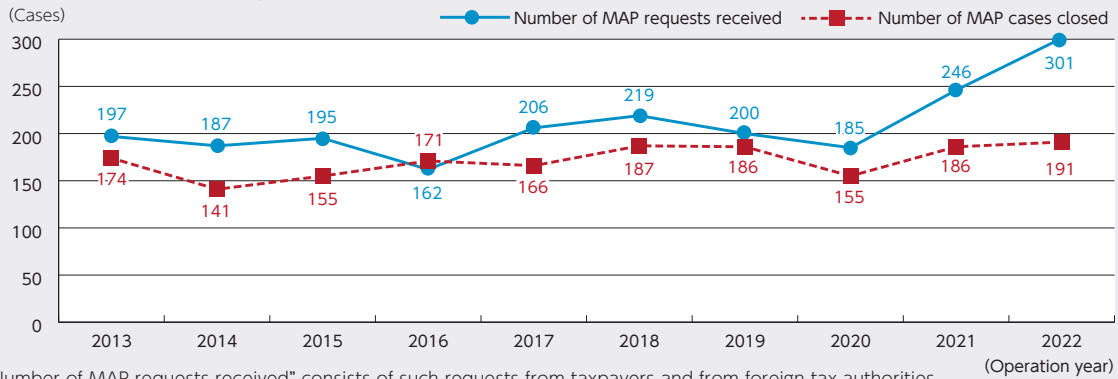
1 “Mutual Agreement Procedure (MAP)” is a formalized set of procedure between tax authorities of treaty partners which are provided in tax treaties. The NTA enters into MAP upon the taxpayers request where taxpayers consider that international double taxation arise or will arise from transfer pricing adjustments or others.

2 “Advance Pricing Arrangement (APA)” means the advance confirmation by a tax authority on taxpayer’s method for calculating the arm’s length price.

3 An adjustment of an enterprise’s income based on the transaction price between third parties (referred to as “arm’s length price”) when such enterprise engages in a transaction with a related enterprise abroad, and the income of such enterprise is diminished due to the fact that the transaction price is different from an arm’s length price.

4 During operation year 2022, we had 49 MAP meetings totaling 169 days.

■ Number of MAP requests received and MAP cases closed



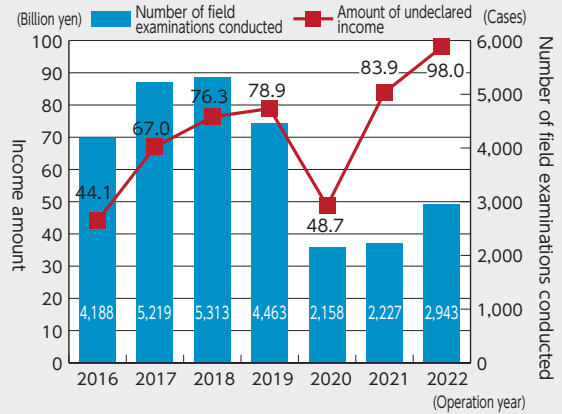
※"Number of MAP requests received" consists of such requests from taxpayers and from foreign tax authorities.

(2) Actions against the affluent class and corporations that conduct cross-border transactions

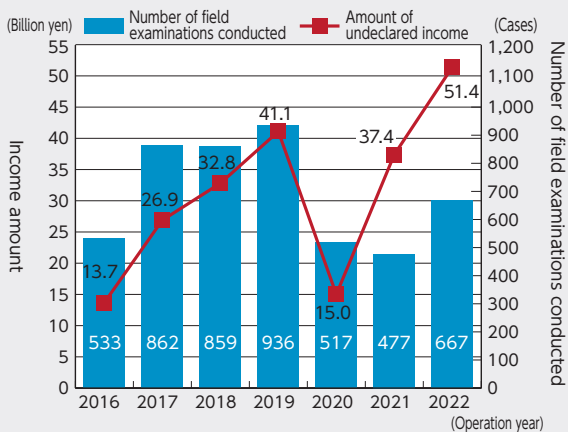
~ Handling of asset-hiding cases and tax avoidance acts ~

The NTA has set actions against affluent class and corporations conducting cross-border transactions as a priority issue, and by pressing forward with the above initiatives, has been actively conducting examinations with the objective to properly deal with concealment of assets overseas and with acts of international tax evasion.

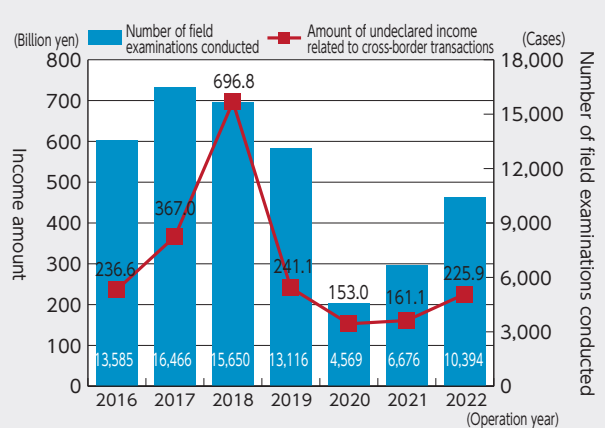
■ Actual number of income tax examinations carried out against the affluent class



■ Actual number of income tax examinations carried out against the affluent class related to cross-border transactions



■ Actual examination of corporation tax related to cross-border transactions



◎ Examination examples on the affluent class and the enterprises engaged in cross-border transactions

- A domestic corporation engaged in real estate leasing was subject to the thin capitalization rule because it paid a large amount of interest and reduced its tax burden by borrowing money instead of receiving investments to raise funds from a foreign corporation.
- We detected the following fact: the subject set the transaction price to a related party located overseas lower than the arm's length price, resulting in effective transfer of profits.

～ Defining conditions for application of transfer pricing taxation ～

As company activities become increasingly globalized, more transactions are becoming subject to the transfer pricing taxation, and the details of the transactions are becoming more complex. To increase predictability for taxpayers, the NTA has announced its administration policy on the operations and its application requirements, by updating directive on the interpretation of laws and administrative guidelines relating to the transfer pricing taxation.

In case of the Advance Pricing Arrangement (APA), the NTA has been providing an environment where taxpayers can smoothly apply for this APA, such as engaging in consultations prior to accepting requests for APA.

5 Cooperation with foreign tax authorities

(1) Technical cooperation for developing countries with a focus on Asia

Under the framework of technical cooperation by the Official Development Assistance (ODA), the NTA is actively providing technical cooperation to developing countries, focusing on Asian countries. The aims are to improve tax administration of developing countries and foster understanding Japan's tax administration.



Practicum at the NTA

Overview of technical cooperation

1 Dispatch of officials to developing countries

Based on the requests received from developing countries' tax authorities, the NTA dispatches its officials for trainings held in those countries. In FY2023, we gave lectures through dispatching our officials to the tax authorities of Malaysia and Vietnam.

Moreover, with a view to giving continuous advice on tax administration to developing countries, the NTA also dispatches its officials as long-term experts of Japan International Cooperation Agency (JICA). In FY2023, they worked in Lao PDR, the Philippines and Vietnam.

2 Trainings conducted in Japan

(1) International Seminar on Taxation (ISTAX)

This is the seminar for tax officials from several developing countries, and gives lectures on Japan's tax system and tax administration. It has two courses: "General" for mid-career officials, and "Advanced" for upper management-level officials.

(2) Country-Focused Training Courses

The courses target tax officials from a certain developing country, and give lectures based on its requests.

(3) International Taxation

This course targets tax officials from multiple developing countries and gives lectures on "international taxation."

This course was named "International Taxation for Asian Countries" previously, but the target countries became no longer limited to Asian countries from FY2023, so the course was also renamed to "International Taxation."

(4) Practicum at the NTA

This course targets tax officials from developing countries who are studying at Japanese graduate schools (master's courses) on a scholarship from the World Bank etc., and gives lectures on Japan's tax system and tax administration. In FY2023, 13 students in total, enrolling in graduate schools of National Graduate Institute for Policy Studies, Keio University, and Hitotsubashi University, participated in this course.

■ Status of trainings conducted in Japan

(Number of countries, people)

Fiscal year		2019	2020	2021	2022	2023
International Seminar on Taxation (ISTAX) (General)	Countries	16	–	14	3	8
	Participants	16	–	14	3	8
International Seminar on Taxation (ISTAX) (Advanced)	Countries	11	–	10	5	8
	Participants	11	–	10	5	8
Country-Focused Training Courses	Countries	3	1	2	4	4
	Participants	32	15	136	355	61
International Taxation	Countries	7	–	6	4	8
	Participants	7	–	11	6	8
Practicum at the NTA	Countries	12	7	8	5	7
	Participants	15	9	9	6	13

※ Includes the number of online courses from FY2020 onward

(2) OECD Asia-Pacific Academy for Tax and Financial Crime Investigation

OECD Asia-Pacific Academy for Tax and Financial Crime Investigation, which the NTA holds in collaboration with OECD, is the training program regarding investigation techniques on tax crimes, money laundering, international cooperation, etc. Since the first program at Wako Campus of the National Tax College in May 2019, we held 14 programs in total including those held online as of the end of FY2023.

(3) Cooperation among countries for tackling the challenges in tax administrations

In order to cooperate and share experiences with foreign tax authorities, the NTA actively participates in international conferences including the OECD Forum on Tax Administration and the Study Group on Asia-Pacific Tax Administration and Research.

a. The OECD Forum on Tax Administration (FTA)

The FTA is a forum for tax agency commissioners from 38 OECD and 15 non-OECD countries and regions (as of May 2024) to share their knowledges and experiences in a wide range of fields of tax administration. The 16th Plenary Meeting was held in Singapore between October 11 and October 13, 2023, where the commissioners exchanged their opinions on such issues as DX of tax administration, implementation of the resolution measures for the Two-Pillar Solution, tax certainty, etc.

b. Study Group on Asia-Pacific Tax Administration and Research (SGATAR)

SGATAR is comprised of tax authorities of 18 countries and regions in Asia-Pacific. This is a forum for discussions on cooperation and sharing of knowledge in the region.

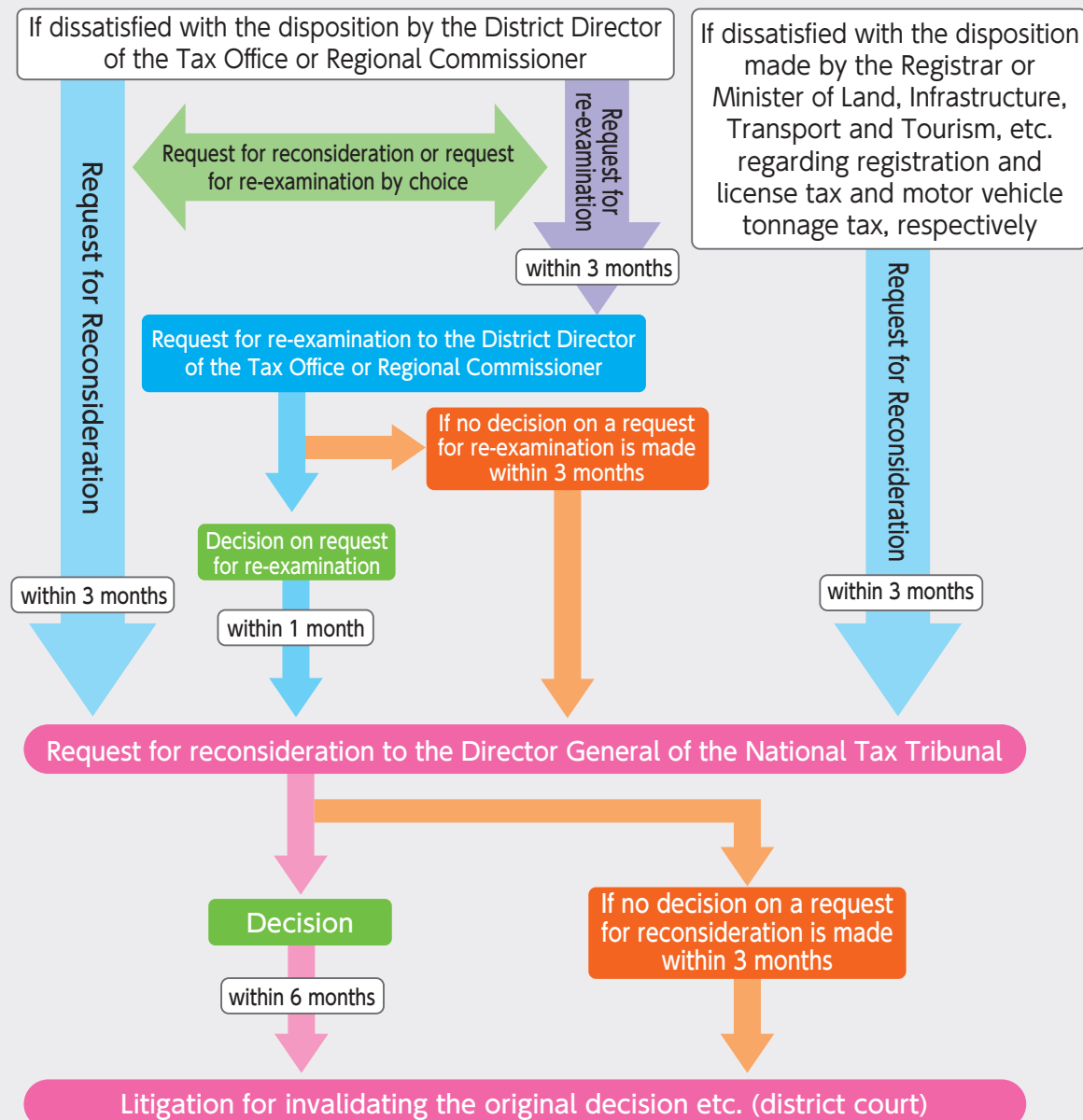
Between October 31 and November 2, 2023, the 52nd SGATAR meeting was held in Thailand, where opinions were exchanged on implementation of "Pillar 2", data analytics on tax compliance, etc.

~ The request for review system for national tax ~

When a taxpayer is dissatisfied with the action taken by the District Director of the Tax Office for taxation and delinquent tax, the said taxpayer may file a request for a review, for example to cancel that disposition. This system of request for review is a procedure to simply and quickly protect taxpayer rights and interests. In principle, a taxpayer who objects to a disposition shall first file a request for review before bringing a lawsuit in court “the principle of petition after administrative protest”.

A request for review can be a request for re-examination to the District Director of the Tax Office, etc., or a request for reconsideration to the Director-General of the National Tax Tribunal, and a taxpayer can choose either of these. When a taxpayer chooses a request for re-examination but is still dissatisfied with the disposition determined for the request for re-examination, the taxpayer may file a request for reconsideration.

Overview of the request for review system for national tax



(1) Request for re-examination

~ Simplified, prompt and fair remedies for taxpayer rights ~

A request for re-examination is intended for review by the District Director of the Tax Office of its own disposition. And it aims to pursue the remedy of the rights and interests of citizens and to ensure the appropriate operation of public administration with simplified, prompt and fair procedures. Thus, when a request for re-examination is filed, we endeavor to listen intently to taxpayers' claims, conduct fair examinations and consideration, and process requests appropriately and expeditiously.

(2) Request for reconsideration

~ Remedy for taxpayer rights by a fair third-party institution ~

Request for Reconsideration is a system whereby when a taxpayer is dissatisfied with a disposition by the District Director of the Tax Office, the taxpayer can file an objection with the Director-General of the National Tax Tribunal. Missions of the National Tax Tribunal are as follows: pursue remedy of the legitimate rights and interests of taxpayers as an organization of a fair third party; and contribute to ensuring the proper operation of tax administration. Thus, for such request, it undertakes an examination, discusses it, and renders a verdict on it.

It is noteworthy that the Director-General of the National Tax Tribunal may decide without being bound by the legal interpretation indicated in the NTA Commissioner's notices.

Such decisions are final administrative rulings given within the NTA, against which the District Director of the Tax Office etc. are not entitled to file litigation, because of dissatisfaction with them. In addition, such decisions should never be more disadvantageous for taxpayers than any dispositions determined by the District Director of the Tax Office etc.

※ When a taxpayer is dissatisfied with the action taken by the NTA Commissioner, the taxpayer may file a request for reconsideration against the NTA Commissioner.

(3) Litigation

~ Remedy by law ~

Even after the decision by the Director-General of the National Tax Tribunal, taxpayers who remain dissatisfied are entitled to file litigation.

Response to complaints from taxpayers

The NTA receives from taxpayers such voices as complaints, dissatisfactions, or inquiries on problems they have regarding other operations of Tax Offices, Regional Taxation Bureaus, and the NTA or the tax matters in general, in addition to request for review of disposition made by the NTA. Concerning such complaints etc. received from taxpayers, the NTA strives to respond promptly and adequately from the viewpoint of each taxpayer as well as to ensure that taxpayers properly understand and rely on the tax administration. The NTA appoints Taxpayer Support Officers to properly respond to taxpayer complaints on disposition that might affect taxpayers' rights and interests, for example by explaining the procedures to remedy taxpayer rights.

(4) Trend in remedies for taxpayer rights

~The NTA is striving to finish processing requests for re-examination within 3 months and requests for reconsideration within 1 year in principle. ~

a. Request for re-examination

- **Target** The NTA has set the standard length of deliberations for a request for re-examination to 3 months and is striving to finish processing requests for re-examination within 3 months in principle.
- **Result** Results in FY2023: 98.2% of requests for re-examination were closed within 3 months. 2,278 re-examinations were requested in FY2023 (2,156 on taxation and 122 on tax collection). Of these, 6.5% of taxpayer claims were approved in whole or in part.

b. Request for reconsideration

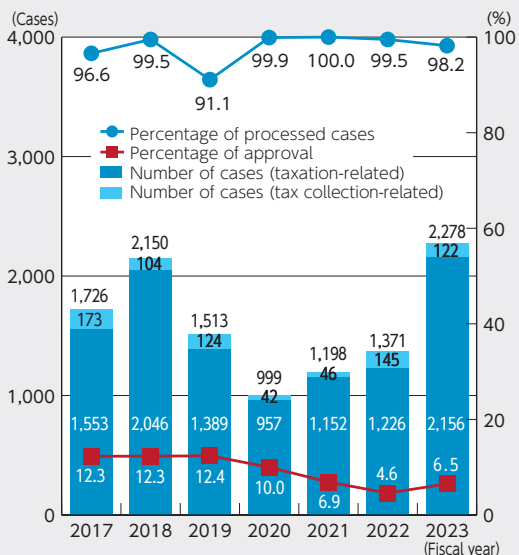
- **Target** The NTA and the National Tax Tribunal have set the standard length of deliberations for a request for reconsideration to 1 year and are striving to finish processing requests for reconsideration within 1 year in principle.
- **Result** Results in FY2023: 99.1% of requests for consideration were closed within 1 year. There were 2,873 requests for consideration in FY2023 (2,671 on taxation and 202 on tax collection). Of these, 9.7% of taxpayer claims were approved in whole or in part.

c. Litigation

For litigation, 172 cases were closed in FY2023 (149 on taxation, 19 on tax collection, and 4 on the National Tax Tribunal). Of these, 7.6% of taxpayer claims were approved in whole or in part.

※ The NTA and the National Tax Tribunal provide information such as overviews of the requests for re-examination, the requests for reconsideration and litigation and cases of decisions on requests for reconsideration. These are on the NTA website and on the National Tax Tribunal website (<https://www.kfs.go.jp> [in Japanese]).

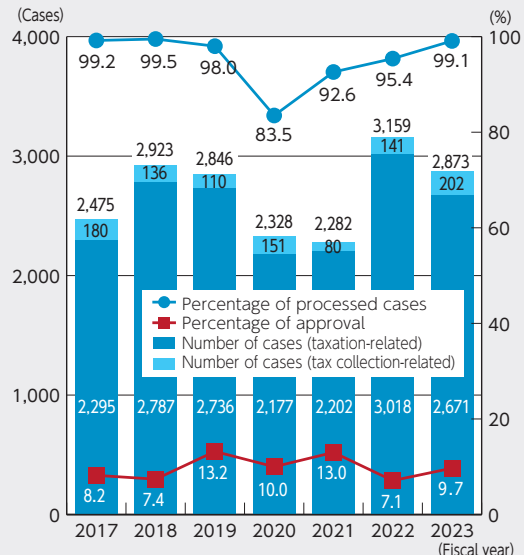
Percentage of processed requests for re-examination within 3 months, and number of processed requests for re-examination



※ 1 Percentage figures of processed cases were calculated excluding MAP (Mutual Agreement Procedure) cases, public prosecution-related cases and international taxation cases, as well as, in FY2020 and ensuring years, cases in which reexamination requests could not be processed within three months due to interruptions by natural disasters etc. or taxpayers' conditions.

※ 2 If any disciplinary action was taken for the District Director of the Tax Office etc. on or before March 31, 2016, that was related to "request for reinvestigation."

Percentage of processed requests for reconsideration within 1 year, and number of processed requests for reconsideration



※ Percentage figures of processed requests in FY2017 onward were calculated by excluding the case suspension period for such cases as MAP cases and public prosecution-related cases. Also, for FY2021, calculation was done excluding not only the above period but also the period when examination and/or discussion were interrupted due to natural disasters etc. or the conditions of those who requested for reconsideration.

～ Taking various measures for the development of liquor business ～

Liquor products are important for fiscal management in that liquor tax is imposed on them. Since stable tax revenues can be expected from liquor products, they play an important role in the fiscal policy of the Japanese government.

The NTA is making proactive efforts for the sound development of liquor business, not to mention for realizing the proper and fair taxation of liquor tax. In order to revitalize the liquor industry and promote the exports, we are striving to promote the growth of the liquor industry, through enhancing domestic and overseas visibility as well as providing support for cultivating overseas sales channels. (Please also reference the “Sake no Shiori (the bookmark of liquor)” uploaded to the NTA website for the initiatives by the NTA.)



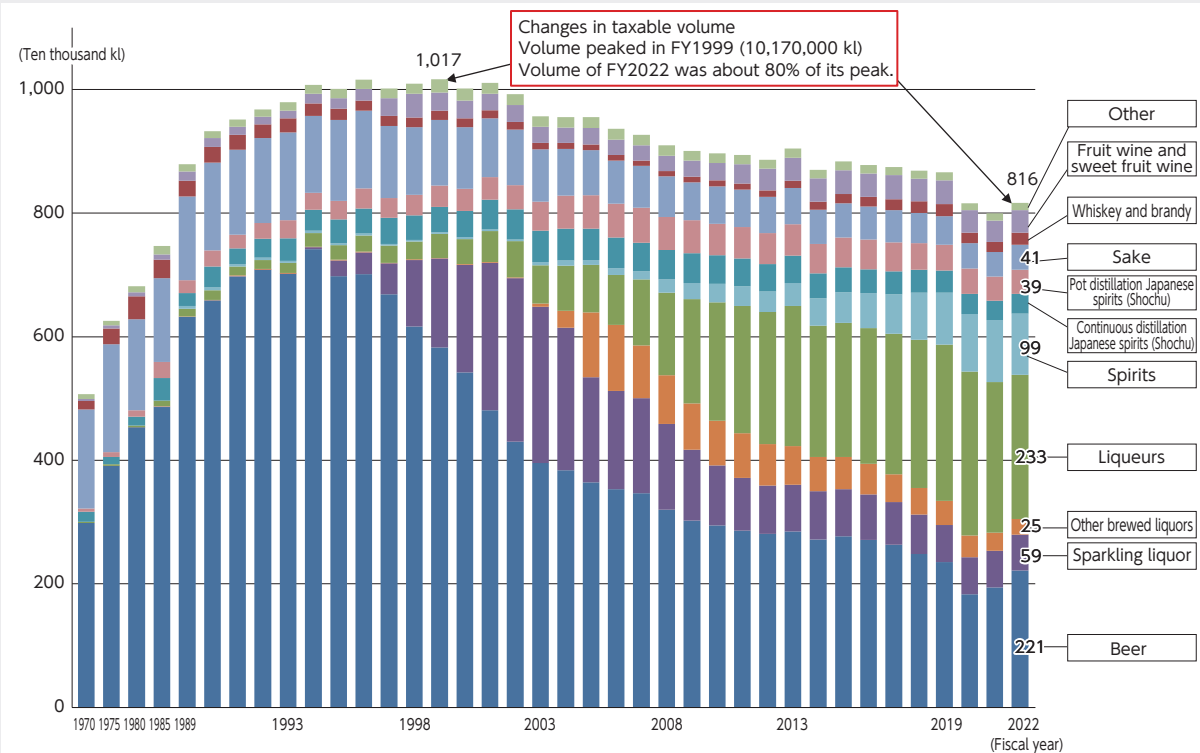
Sake no Shiori
[in Japanese]

1 Situation of Liquor Industry

(1) Situation of domestic market

The taxable volume of liquor has shown a declining trend since it peaked in FY1999, due to decreasing birthrate, accelerated aging, population decrease, etc. Beer in particular has declined considerably, because of the shift of consumption from beer to low-priced liquors such as sparkling liquor and chuhai.

Changes in taxable volume



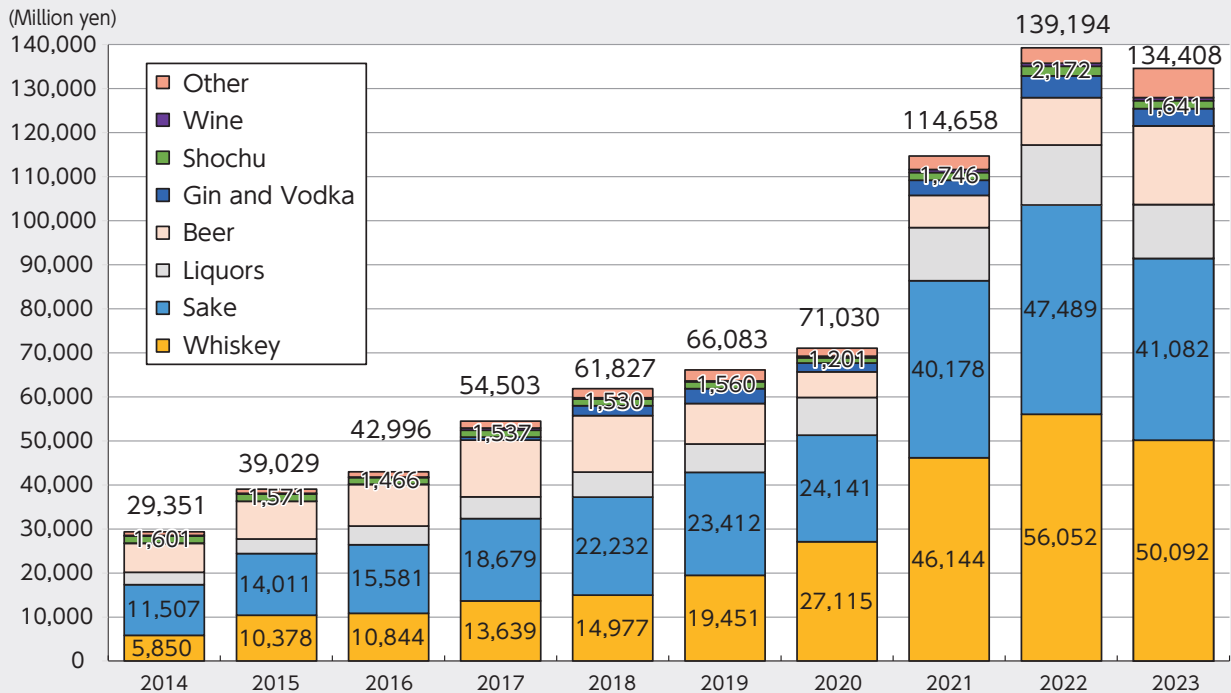
※“Other” includes “Spirits” in 1985 and before.

(Source: National Tax Agency Annual Statistics Report)

(2) Situation of the Japan-made liquor exports

In 2023, Japan-produced liquor exports amounted to 134.4 billion yen (3.4% decrease over prior year), showing a high performance, second only to 2022 when historic peak was recorded.

■ Trend in the export amount of liquor which made in Japan



Source: "Foreign Trade Statistics" by the Ministry of Finance (2023 figures were compiled using the data as of March 13, 2024)

2 Efforts of the NTA

~ Promotion of liquor business ~

Given the current status and challenges, the NTA is making efforts to help the domestic and overseas liquor markets expand and help them further grow and develop in a sound manner.

(1) Efforts for cultivating overseas markets (export promotion)

In the "Implementation strategy to expand exports for agricultural, forestry and fishery products and food" (<https://www.nta.go.jp/taxes/sake/yushutsu/01.htm#a01> [in Japanese]) (decided by the Headquarters for Ensuring Stable Food Supply and Revitalizing the Base of Agriculture, Forestry and Fisheries in December 2023), sake (refined sake), whisky, and authentic shochu/awamori are positioned as the three priority export items in the liquor category, where the target countries, targeted export volume, etc. are set for each item. We help them raise the visibility and expand the sales channels towards the achievement of the targets for Japan-produced liquor products such as the three priority items.

a. Support for cultivating sales channels

To further expand the exports of Japan-produced liquor products, we exhibited Japan-produced liquor products at a Japan pavilion in large-scale overseas trade EXPOs. Also, we held trade fairs with certain overseas buyers leveraging the liquor export coordinators (<https://www.nta.go.jp/taxes/sake/yushutsu/coordinator/index.htm> [in Japanese]) assigned in overseas markets.

b. Enhancing visibility

We implemented promotion for Japan-produced liquor products at the Japan House and invited overseas liquor specialists to sake breweries.

c. Subsidies for liquor business operators

We are supporting liquor business operators by granting subsidies to them (<https://www.nta.go.jp/taxes/sake/boshujoho/hojojigyo.htm#a01> [in Japanese]) for their proactive efforts to pursue international business deployment and cultivate new markets whether domestic or overseas (for instance, branding for Japan-produced liquor products, cultivation of overseas demand through inbound promotion, etc.), for the purpose of expanding exports for Japan-produced liquor products, ensuring management reform and structural conversion for the liquor business, and promoting sound growth of the liquor business.

d. Expanding usage of Geographical Indications (GI)¹ to enhance brand value

We are engaged in implementing GI designation and expanding usage of it, from the perspective of enhancing brand value of liquor products within and outside Japan (For the latest designation status, see the “List of Geographical Indications for liquor products” on the NTA website). On that, we are producing pamphlets and coordinating for relevant events such as seminars.



List of Geographical Indications for liquor products [in Japanese]

e. Authorization of liquor product associations² based on the Export Promotion Act

Based on the Export Promotion Act, in December 2022, we authorized the Japan Sake & Shochu Makers Association as a “liquor product association” for sake, authentic shochu and awamori.

f. International negotiations for abolishing tariffs and import restrictions

To further improve the export environment for Japanese liquor business operators, we are discussing the following through international negotiation: abolishment of tariffs and import restrictions; protection of GIs; and efforts toward the mutual equivalency approval for organic alcohol beverages.

Note that regarding the import restrictions imposed by certain countries on Japan-produced goods following the nuclear power plant accident at TEPCO Fukushima Dai-ichi due to the Tohoku Mega Quake, we will keep requesting the relevant governments to abolish those restrictions.

Also, regarding the draft regulations that foreign countries and regions plan to introduce, we take necessary action not to have them become new obstacles against export of Japan-produced liquor products.

(2) Efforts to inscription of Japanese sake, shochu and awamori, etc. on the Representative List of the Intangible Cultural Heritage of Humanity of UNESCO

We are making efforts for protection and inheritance of the traditional sake-making tech concerning Japanese sake etc. as well as toward the inscription of the Representative List of the Intangible Cultural Heritage of Humanity of UNESCO, through collaboration with the Agency for Cultural Affairs, the “Preservation Society of Japanese Koji-based Sake making Craftsmanship,” etc.

In December 2021, this was registered in the name of “Traditional knowledge and skills of sake-making with koji mold in Japan” with the Registered Intangible Cultural Property. After that, it was proposed to UNESCO in March 2022. (It was re-proposed in March 2023.)

¹ Under the Geographical Indication (GI) system, in the case that the characters of a liquor product or agricultural product unique to a specific production area (quality, recognition in society, etc.) have been established, only the products that are produced within the production area and fulfills certain production standards can exclusively use the name of its production area (the name of region as a brand).

² Based on the Act on Facilitating the Export of Agricultural, Forestry, and Fishery Products and Food, for each priority export item, the government certifies the following corporation upon receipt of an application from it as a “certified organization that facilitates the export of agricultural, forestry, and fishery products and food”: corporation that promotes exports through collaboration with related entities from production to sales. “Item Organization” is a common name for “organization that facilitates the export of agricultural, forestry, and fishery products and food.”

(3) Technological assistance

a. Promotion of the spread of brewing technology etc.

Each Regional Taxation Bureau has the Office of Analysis and Brewing Technology (including Chief Technical Officer of the Okinawa Regional Taxation Office) as its technological function to promote the spread of advanced technologies etc., including research results of the National Research Institute of Brewing (NRIB)¹, through activities such as giving advice and consultation in response to technical inquiries and other inquiries from liquor manufacturers, holding competitions, research workshops, etc. and dispatching officials to seminars, appraisals, etc., held by sake-making associations etc.

b. Support in the quality and safety of liquor

With the aim of ensuring the safety of liquor in all stages from liquor production to consumption and enhancing the level of quality, we give technological assistance concerning improvement etc. in the production process of liquor and confirm safety through actions including research and provision of information on the radioactive substances of liquor.

c. Efforts by the National Research Institute of Brewing (NRIB)

In the “5th target period” spanning from FY2021 to FY2025, NRIB is making ① the efforts to make the liquor industry further prosperous; ② the efforts to ensure the adequate operation for the Liquor Tax Act etc.; ③ the efforts as a national center for liquor products. Specifically, it is proactively implementing various operations, such as conducting studies for increasing the brand value of Japanese liquor products, strengthening the technological base of liquor production, etc., pursuing the measures to develop personnel for the liquor industry (lectures on liquor brewing, etc.) and outreach activities.

(4) Measures for small and medium enterprises (SMEs)

In order for the liquor industry, of which SMEs account for the majority, to adjust to change in the social and economic conditions properly, the NTA supports diverse efforts by the industrial associations, such as the modernization project by the Japan Sake & Shochu Makers Association. Moreover, in coordination with related government offices and organizations, local governments and others, the NTA provides business operators and industrial associations with information on governmental measures for SMEs (consultation desks, subsidies, the tax system, financing, etc.) to promote the use of these measures.

(5) Establishment of a fair trading environment of liquor

Regarding the “Standards for the Fair Trading of Liquor²” (<https://www.nta.go.jp/taxes/sake/koseitorihiki/mokuji.htm> [in Japanese]) that took effect in June 2017, based on the problems that came to light after the enforcement of the standards, the NTA revised them in March 2022 (took effect in June 2022), in accordance with the Act on Securing of Liquor Tax and on Liquor Business Associations. Thereafter, we have been disseminating the institutional content of the revision and pursuing relevant enlightenment activities; and have been striving to ensure fair trading in collaboration with the Japan Fair Trade Commission, too.

(6) Response to social demands

a. Promotion of resource recycling

The beer industry promotes the “Action Plan for Achieving a Low-carbon Society (Carbon Neutrality Action Plan)” which was formulated based on the “Plan for Global Warming Countermeasures” (determined by the Cabinet in October 2021). The Liquor Subcommittee under the National Tax Council conducts evaluation and verification of such endeavors.

1 The NRIB is Japan’s only research institute on liquor products. As a technological base for performing the missions of the NTA, it is carrying out the following: conduct advanced analysis and appraisal concerning liquor products; perform research and investigation tasks about liquor products and the liquor industry, and provide relevant information.

2 These standards need to be complied with by all liquor companies (production, wholesale, and retail) to ensure fair transactions for liquor products. In other words: ① it is not allowed to sell liquor products at a price lower than the total costs of sale on a continuous basis without a justifiable reason; and ② it is not allowed to execute a deal that might be significantly detrimental to the own liquor business or to the liquor business of other liquor companies. Note that it is prescribed that the fair trade standards need to be reviewed approximately every five years and that when recognized necessary, they need to be revised.

b. Measures to prevent those under the age of 20 from consuming alcohol

With the purpose to prevent consuming alcohol under the age of 20, in addition to preparation of educational posters and pamphlets, the NTA designates April of each year as the “Month to emphasize prevention from consuming alcohol under the age of 20,” and carries out enlightenment activities in coordination with relevant ministries and agencies, and industry associations.

c. Measures against Health Problems Caused by Alcohol

Considering the “Basic Plan for Promoting Measures against Health Problems Caused by Alcohol” (the second plan, from April 2021 to March 2026) formulated based on the “Basic Act on Measures to Prevent Damage to Health due to Alcohol” enforced in June 2014 and the “Guidelines on Drinking Paying Attention to Health” prepared by the Ministry of Health, Labour and Welfare in February 2024, etc., the NTA implements initiatives for preventing occurrence of health problems due to alcohol in cooperation and coordination with relevant ministries and agencies as well as associations in the liquor industry.

~ Missions of Certified Public Tax Accountants (CPTAs) ~

Certified Public Tax Accountants (CPTAs) and CPTAs Corporations (hereinafter referred to as “CPTAs etc.”) are professional specialists on taxes. Their public mission is to respond to the trust of a taxpayer in line with the principles of the self-assessment system, and to achieve proper tax compliance as provided for in the tax laws and regulations, based on their independent and fair standpoint.

As of the end of March 2024, 81,280 persons were registered as CPTAs, and there were 5,002 CPTAs Corporations.

1 Services and roles of CPTAs

~ Support taxpayers and boost self-assessment system ~

CPTA services (① tax proxy, ② preparation of tax documents, and ③ tax consultation service) must not be performed by persons other than CPTAs, even at no charge¹. Also, CPTAs are required to fulfill various obligations and responsibilities. For example, they are prohibited from providing tax evasion consultation and engaging in conduct which harms the credibility or dignity of CPTAs.

If using services of CPTAs, taxpayers can properly file returns and pay taxes. In addition, because corporations and sole proprietors often ask CPTAs to process accounting books or to compile financial statement, they also play important roles in promoting tax return filings and correct bookkeeping that constitutes the basis for the filing.

2 Coordination and cooperation with CPTAs' Associations etc.

~ Conduct consultations and exchange opinions about a wide range of issues ~

To achieve the proper and smooth administration of the self-assessment system, CPTAs undertaking the public mission play extremely important roles. Therefore, the NTA is endeavoring to coordinate and cooperate with the Certified Public Tax Accountants' Associations and Japan Federation of Certified Public Tax Accountants' Associations (hereinafter referred to as “CPTAs' Associations etc.”) for example, by conducting consultations and exchanging opinions with CPTAs' Associations etc. about a wide range of issues. Specific activities include (1) and (2) below.

(1) Promotion of the document attached by CPTAs

~ Further promoting and establishing the attached document regarding the calculation and consultation ~

With the document attachment system as provided for in the Certified Public Tax Accountant Act (<https://www.nta.go.jp/taxes/zeirishi/zeirishiseido/qa/04.htm#a04-01> [in Japanese]) CPTAs may attach certain documents on the items calculated in preparing a tax return and the documents on the consultation subjects covered by the CPTAs (hereinafter the “attached documents.”)

This system requires that if a Tax Office intends to conduct a tax examination for a taxpayer having filed a tax return with the attached documents by notifying the taxpayer of the date, time and place of the examination in advance, the CPTAs of the taxpayer must be given an opportunity to state an opinion on the items described in the attached documents, before the taxpayer is notified.

Regarding the attached documents, the NTA is actively consulting with CPTAs' Associations etc. with an aim to enhance the content of attached documents and raise the share of the returns with such attachments. Respecting this system, the NTA is striving to disseminate it and have it used by more taxpayers.

¹ In compliance with Article 51 of the Certified Public Tax Accountant Act, CPTA services can also be performed by lawyers, legal professional corporations, and legal and foreign legal professional corporations that have notified their practice of CPTA services to the Regional Commissioner with jurisdiction over the district where CPTA services are to be provided, in addition to CPTAs and CPTAs Corporations.

(2) Expansion of e-Tax usage

~ Collaboration and cooperation towards the promotion of electronic filing ~

Concerning use expansion for e-Tax, the roles played by CPTAs are significant, so the NTA is regularly exchanging opinions with the Japan Federation of Certified Tax Accountants' Associations and requesting it for cooperation to expand the use of e-Tax. As such, the NTA is eager to keep the collaboration and cooperation with CPTAs Associations etc., towards the promotion of digital procedures for tax return filing.

3 Appropriate guidance for and supervision of CPTAs

~ Prevent violation of the CPTA Act and take strict action against those who violated ~

For ensuring the proper operation by CPTAs, the NTA utilizes every opportunity to alert people and prevent violation of the CPTA Act by CPTAs etc. Also, the NTA conducts appropriate examinations regarding the breach cases of the CPTA Act. We take strict disciplinary action against the CPTAs etc. Who violated the Act and publicly announce the names of such CPTAs. In addition, for the so-called "fake CPTAs" who conducts CPTA services without a license, we strictly deal with them including accusation to the prosecutor.

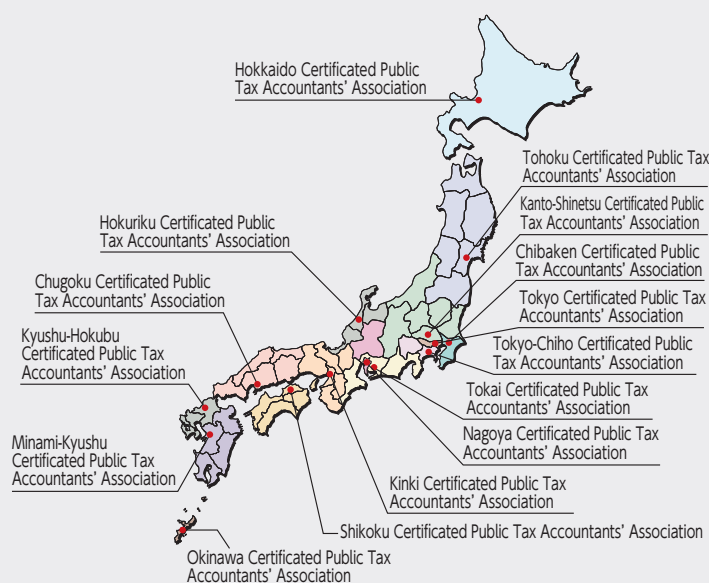
■ Number of disciplinary actions against the CPTAs etc.

Fiscal year	2019	2020	2021	2022	2023
Cases	43	22	21	13	38

CPTAs' Associations and Japan Federation of CPTAs' Associations

In order to improve the work of CPTAs, CPTAs' Associations are designated in the CPTA Act as organizations which provide guidance, liaison and supervision to CPTAs. There are now 15 CPTAs' Associations throughout Japan. CPTAs' Associations engage in a wide range of activities, including ① training to enhance the qualities of CPTAs, ② dispatch of lecturers for tax workshops in elementary, junior and senior high schools, universities, etc. to fulfill the tax education and ③ free tax consultation for small taxpayers.

The Japan Federation of Certified Public Tax Accountants' Associations (<https://www.nichizeiren.or.jp/eng/>) is the only organization in Japan as certified by the CPTA Act. The Federation provides guidance for, communicates with, and supervises CPTAs' Associations and CPTAs. It also handles the operation to register members, and conducts institutional surveys on CPTAs.



(1) The purpose of Results Evaluation

The purpose of the “Results Evaluation for the Targets to Be Achieved by the NTA” is to: ① clarify the NTA’s missions and objectives to be achieved and fulfill accountability to citizens and taxpayers, ② continue promoting more efficient, high-quality tax administration that meets the needs of the times and ③ improve operations, enhance the motivation of staff, and revitalize the organization. Regarding the results evaluation for the NTA, “Results Evaluation Implementation Plan” (hereinafter the “Implementation Plan”) and “Results Evaluation Report” are created and publicly released every year.



Ministry of Finance website
Results Evaluation Implementation Plan,
Advance analysis table,
Results Evaluation Report at the NTA
[in Japanese]

(2) The NTA’s missions and assignment and the structure of results evaluation targets

In order to accomplish the NTA’s missions “Help taxpayers properly and smoothly fulfill their tax duties,” the NTA’s three duties provided in Article 19 of the Act for Establishment of the Ministry of Finance were set as the targets to be achieved (Results Target (higher level) 1 through 3).

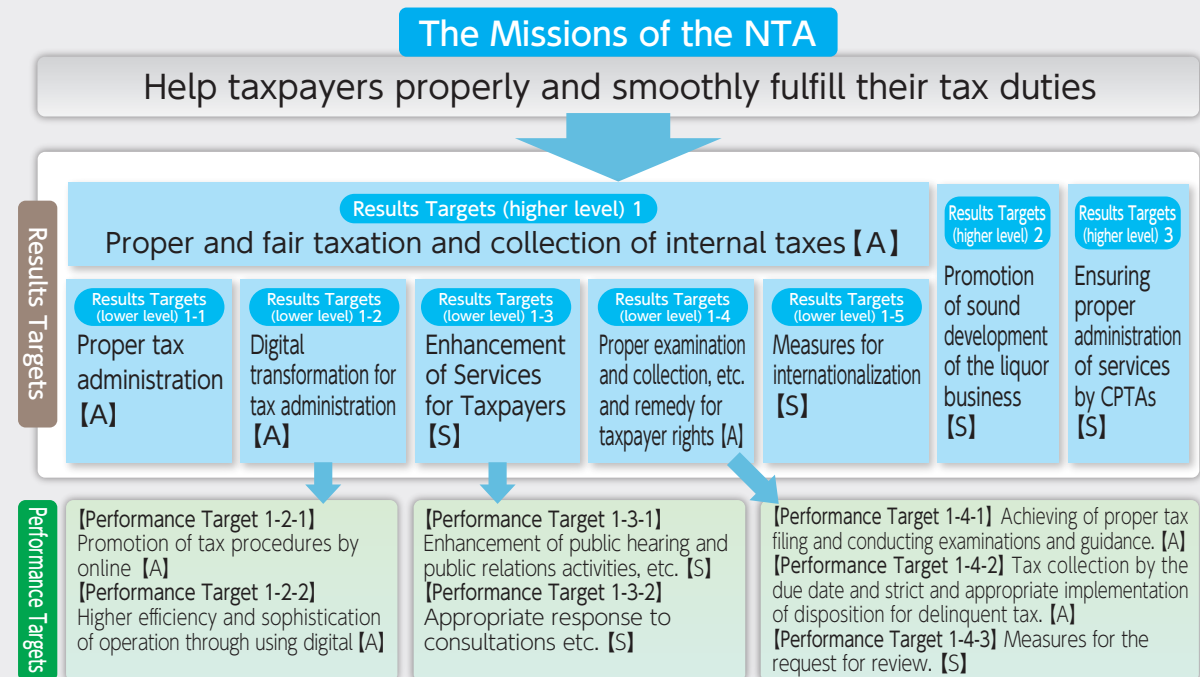
In the Implementation Plan for operation year 2022, five Sub-results Targets (lower level) and seven Performance Targets were set for the Results Target (higher level) 1.

(3) Evaluation method for Results Targets etc. and evaluation results

Regarding the Results Targets etc., means for achieving them are set as the “Measures.” Each Measure for operation year 2022 was set by combining some quantitative measurement indicators (42) and some qualitative measurement indicators (39), to evaluate the implementation status depending on its content. Then, each “Measure” was evaluated based on the level of achievement for each indicator. Evaluation of the Results Targets etc. is done based on the integrated evaluation of the “Measures” for the Result Targets etc. The evaluation results for operation year 2022 are shown by the score codes for respective Targets in [] of the diagram below. Such evaluation results should be accurately reflected in the following operations, to ensure efficient and high-quality tax administration through PDCA cycle.

※ The above figures in parentheses for the measurement indicators represent the data for operation year 2022.

■ System diagram of “the NTA’s missions” and “Results Targets etc.” (for operation year 2022)



※ The NTA evaluates by indices of the following 5 stages about the achievement of each target.

[S+] Target achieved in excess [S] Target achieved [A] Considerable progress [B] Slow progress [C] Not aiming at target

Ministry of Finance Round-table Conference for Policy Evaluation

In order to secure objectivity for the evaluation of results and improve the quality of evaluation, the “Ministry of Finance Round-table Conference for Policy Evaluation,” which consists of external experts, was held to obtain their opinions at the phase of implementation planning and evaluation.

Regarding the evaluation of results for operation year 2022 (https://www.mof.go.jp/about_mof/policy_evaluation/nta/fy2022/evaluation/202310ntahyoka.pdf [in Japanese]), we obtained following opinions (https://www.mof.go.jp/about_mof/councils/policy_evaluation/proceedings/outline/78kongijiyousi.html [in Japanese]).

“The evaluation scores were better this time. This was not only because the Covid-19 pandemic had gone. I believe it was so, significantly because new initiatives had been promoted and considered as well as because challenges had been overcome through finding solutions.”

“Judging from the evaluation for the NTA this time, we can confirm that operational efficiency and convenience for users had really improved particularly through DX.”

“Regarding digitalization, it is important to make sufficient preparations against data leakage and cyberattacks in advance and to enable immediate response in the event of any significant incident just in case.”



Ministry of Finance website
Ministry of Finance
Round-table Conference
for Policy Evaluation
[in Japanese]

Tax revenues and budget

【Budget and final accounts of taxes and stamp revenues for fiscal year 2022】

Tax category	Budget after correction	Actual (Percentage of total)
	Million yen	Million yen (Percentage of total)
Withholding income tax	18,495,000	18,736,485 (24.5)
Self-assessment income tax	3,524,000	3,785,176 (5.0)
Corporation tax	13,787,000	14,939,797 (19.6)
Inheritance tax	2,839,000	2,969,397 (3.9)
Consumption tax	22,161,000	23,079,294 (30.2)
Liquor tax	1,128,000	1,187,565 (1.6)
Tobacco tax	934,000	956,708 (1.3)
Gasoline tax	2,079,000	2,065,276 (2.7)
Liquefied petroleum gas tax	5,000	4,711 (0.0)
Aviation fuel tax	34,000	31,491 (0.0)
Petroleum and coal tax	660,000	663,030 (0.9)
Power resources development promotion tax	313,000	312,204 (0.4)
Motor vehicle tonnage tax	385,000	393,499 (0.5)
International tourist tax	9,000	12,622 (0.0)
Customs duty	1,053,000	1,008,414 (1.3)
Tonnage tax	9,000	9,590 (0.0)
Other [※]	—	13 (0.0)
Stamp revenue	944,000	982,121 (1.3)
Subtotal	68,359,000	71,137,395 (93.2)
Local corporation tax	1,821,300	1,887,532 (2.5)
Local gasoline tax	222,500	220,976 (0.3)
Liquefied petroleum gas tax (transferred)	5,000	4,711 (0.0)
Aviation fuel tax (transferred)	15,200	13,996 (0.0)
Motor vehicle tonnage tax (transferred)	291,600	298,064 (0.4)
Special tonnage tax	11,300	11,987 (0.0)
Special business tax	2,103,900	2,169,136 (2.8)
Special tobacco tax	112,600	115,801 (0.2)
Special income tax for reconstruction	462,400	470,544 (0.6)
Other	—	7,556 (0.0)
Total	73,404,800	76,337,700

*"Other" the amount collection of delinquent taxes, collected as the commodity tax, land value tax, etc.

【NTA initial budget for fiscal year 2024】

Items	Budget Million yen
Expenses to improve convenience for taxpayers ^{※1}	2,837
Expenses related to internationalization measures	1,156
General operating expenses ^{※2}	60,235
Expenses to improve work environment and ensure safety ^{※3}	7,049
Expenses related to tax reforms	2,674
Expenses for National Tax College	1,781
Expenses for National Tax Tribunal	160
Expenses for National Research Institute of Brewing	966
Expenses for the development of the liquor industry	2,082
Subtotal	78,940
Salary costs	538,063
Total NTA budget	617,003

※1 "Expenses to improve convenience for taxpayers" includes expenses related to operating expense for the Phone Consultation Center.

※2 "General operating expenses" include expenses for tax forms and correspondence, wage expenses for part-timers, travel expenses, honoraria for hired bookkeeping instructors and PR expenses.

※3 "Expenses to improve work environment and ensure safety" includes expense to improve facilities and health care.

※4 In addition to the NTA budget shown above, 81.2 billion yen is collectively recorded to the Digital Agency's budget as the expense for the government's information system.

Tax returns and taxation

【Income tax】

		(Calendar year 2023)
		Ten thousand people
Total population		12,393
Number of persons engaged		6,747
Number of final returns filed		2,324
Refunds		1,351
Tax payments		669
Breakdown by income earner	Business income earners	166
	Other income earners	502
	Real estate income earners	105
	Employment income earners	277
	Miscellaneous income earners	83
	Other	37

【Inheritance tax】

		(Calendar year 2022)
Number of deceased		1,569,050 people
Number of deceased subject to taxation		150,858 people
Number of taxpayers (number of heirs)		380,937 people
Taxable amount		20,717.8 billion yen
Amount of tax		2,800.7 billion yen

【Gift tax】

		(Calendar year 2022)
Number of people subject to taxation		434,135 people
Value of properties acquired		2,341.7 billion yen
Amount of tax		254.2 billion yen

* Figures include the taxation system for settlement at the time of inheritance.

【Withholding agents and withholding income tax】

(Operation year 2022)

Category of income etc.	Number of withholding agents		Amount of tax
	Thousand	Billion yen	Billion yen
Employment income (wages and salaries)	3,569	12,526.4	
Retirement income	—	276.0	
Interest income etc.	33	336.0	
Dividend income	149	6,082.7	
Capital gains on listed shares etc. kept in special account	11	484.4	
Income from remuneration etc.	2,875	1,227.7	
Income paid to non-residents and foreign corporations etc.	35	882.8	
Total	—	21,815.9	

*1 The number of withholding agents are figures as of the end of June 2023.

*2 The tax amounts include the amounts of special income tax for reconstruction.

【Number of corporations and corporation tax】

(Operation year 2022)

Number of corporations	3,341 thousand corporations
Number of tax returns filed	3,128 thousand filings
Percentage of corporations filing	91.8%
Percentage of returns declaring a surplus	36.2%
Amount of self-assessment income	85,010.6 billion yen
Amount of self-assessment loss	17,429.5 billion yen
Amount of tax	14,909.9 billion yen

* The number of corporations is the figure as of the end of June 2023.

【Consumption tax】

(Fiscal year 2022)

Category	Payment	Refund
	Thousand tax returns	Thousand tax returns
Individuals	1,013 thousand	61 thousand
Corporations	1,850 thousand	188 thousand
Total	2,863 thousand	249 thousand
Amount of tax	20,096.1 billion yen	7,093.7 billion yen

【Liquor tax and liquor production】

(Fiscal year 2022)

Type	Volume of production	Amount of tax
	Thousand kl	Million yen
Sake	328	42,589
Sake compounds	20	1,947
Continuous distillation Japanese spirits (Shochu)	294	66,202
Pot distillation Japanese spirits (Shochu)	368	93,566
Mirin (rice cooking wine)	86	1,884
Beer	2,235	431,696
Fruit wine	95	10,112
Sweet fruit wine	6	572
Whisky	146	51,766
Brandy	4	1,320
Sparkling liquor	396	78,637
Alcohol for material & Spirits	833	81,296
Liqueurs	2,261	228,982
Other brewed liquors, powder liquor & miscellaneous liquor	251	27,169
Total	7,324	1,117,737

Tax examinations

【Field examination of self-assessment income tax】

(Operation year 2022)

Number of cases	Number of undeclared cases		Amount of undeclared income		Additional tax revenue collected	
	Thousand	Thousand	Billion yen	Ten thousand yen	Billion yen	Ten thousand yen
46	38	559.4	1,208	101.5	219	

【Field examination of withholding income tax】

(Operation year 2022)

Number of Cases	Number of illegal cases	Additional tax revenue collected
Thousand	Thousand	Billion yen
72	22	33.8

*The tax amounts include the amounts of special income tax for reconstruction.

【Field examination of corporation tax】

(Operation year 2022)

Category	Number of cases	Number of undeclared cases	Amount of undeclared income		Additional tax revenue collected
			Billion yen	Ten Thousand yen	
All corporations	62	47	780.1	1,257	186.8
Corporations handled by the Large Enterprise Department	2	1	302.0	19,349	62.4

【Field examination of consumption tax】

(Operation year 2022)

Category	Number of Cases	Number of undeclared cases	Additional tax revenue collected	
			Billion yen	Thousand yen
Individuals	26	21	33.6	1,320
Corporations	61	35	135.7	2,230

【Field examination of inheritance tax】

(Operation year 2022)

Number of cases	Number of undeclared cases	Amount of undeclared inheritance		Additional tax revenue collected	
		Billion yen	Thousand yen	Billion yen	Thousand yen
8	7	263.0	32,090	66.9	8,160

【Collected number of statutory information】

(Operation year 2022)

Statutory information	Number collected
	Thousand
Withholding record of employment income	25,414
Payment record of interest	11,462
Payment record of dividends	58,206
Other	418,444
Total	513,527

International taxation

【Field examination of corporations conducting overseas transactions etc.】

(Operation year 2022)

Number of examinations of corporations conducting overseas transactions	10,394 cases
Number of undeclared cases related to overseas transactions	2,422 cases
Cases of overseas fraudulent calculations	256 cases
Amount of undeclared income related to overseas transactions	225.9 billion yen
Amount of overseas fraudulently omitted income	13.4 billion yen

【Field examination of transfer pricing taxation】

(Operation year 2022)

Number of undeclared cases	149 cases
Amount of undeclared income	39.2 billion yen

【Cases requested and processed for advance pricing arrangement related to transfer pricing taxation】

(Operation year 2022)

Number of cases requested	205 cases
Number of cases processed	125 cases

Delinquency

【Tax delinquency cases by major tax categories】

(Fiscal year 2022)

	Under collection process at the end of the previous year	Newly occurred	Collected	Under collection process at the end of the year
	Billion yen	Billion yen	Billion yen	Billion yen
Income tax	352.9	215.3	202.3	365.9
Withholding income tax	113.7	39.7	40.6	112.7
Self-assessment income tax	239.2	175.6	161.7	253.2
Corporation tax	118.0	95.6	86.9	126.7
Inheritance tax	51.7	36.7	35.7	52.7
Consumption tax	superscript 95.7 355.1	superscript 102.2 363.0	superscript 105.6 377.2	superscript 92.3 340.9
Other taxes	8.0	9.0	8.4	8.6
Total	superscript 95.7 885.7	superscript 102.2 719.6	superscript 105.6 710.4	superscript 92.3 894.9

* Local consumption tax is not included in the figures above because they indicate national tax delinquency. However, according to Article 9 (4) of the supplementary provisions of the Local Tax Act, the national government must assess and collect local consumption tax with national consumption tax for the time being. That is why the delinquent amounts of local consumption tax are indicated by the superscript amounts in the rows "Consumption tax" and "Total" fields.

Criminal investigation

【Criminal investigations】

(Fiscal year 2023)

Number of cases conducted	Number of cases closed	Number of cases with accusation filed to the prosecutor	Amount of tax evasion		Amount of tax evasion (accusation filed to the prosecutor)	
			Per case	Per case	Per case	Per case
Cases	Cases	Cases	Billion yen	Million yen	Billion yen	Million yen
154	151	101	12.0	79	8.9	88

【Accusations filed to the prosecutor, by tax category】

(Fiscal year 2023)

Tax category	Number of cases	Amount of tax evasion	
		Per case	Per case
	Cases	Million yen	Million yen
Income tax	14	1,214	87
Corporation tax	59	5,734	97
Inheritance tax	1	152	152
Consumption tax	27	1,831	68
Withholding income tax	—	—	—
Total	101	8,931	88

Remedy for taxpayer rights

【Request for re-examination】

(Fiscal year 2022)

Category	Number of requests for reexamination	Number of new requests for reexamination	Number of cases processed ①	Number of requests approved ②			Percentage ②/①
				Full	Partial	Percentage ②/①	
Taxation-related	Cases 1,631	Cases 1,385	Cases 1,226	Cases 63	Cases 18	Cases 45	% 5.1
Collection-related	161	148	145	—	—	—	—
Total	1,792	1,533	1,371	63	18	45	4.6

*1 In June 2014, the relevant laws relating to this review system were revised, including the change of the Japanese name of a request for reexamination from "Igi Moshitate" to "Saichosa no Seikyu." This revision came into force in April 2016.

*2 Figures include the cases of "Igi Moshitate."

【Request for reconsideration】

(Fiscal year 2022)

Category	Number of requests for reconsideration	Number of new requests for reconsideration	Number of cases processed ①	Number of requests approved ②			Percentage ②/①
				Full	Partial	Percentage ②/①	
Taxation-related	Cases 5,205	Cases 2,825	Cases 3,018	Cases 225	Cases 72	Cases 153	% 7.5
Collection-related	250	209	141	—	—	—	—
Total	5,455	3,034	3,159	225	72	153	7.1

【Litigation】

(Fiscal year 2022)

Category	Number of litigations	Number of cases filed for first instance	Number of cases closed ①	Number of lost cases ②			Percentage ②/①
				Full	Partial	Percentage ②/①	
Taxation-related	Cases 315	Cases 87	Cases 157	Cases 8	Cases 4	Cases 4	% 5.1
Collection-related	39	12	25	2	2	—	8.0
National Tax Tribunal-related	4	—	4	—	—	—	—
Total	358	99	186	10	6	4	5.4

* The figures for cases for litigation are the total numbers for each level of trial.

Tax consultations

【The five items of most frequently consulted】

(Phone Consultation Centers)

(Fiscal year 2023)

Rank	Tax category	Items	Cases
1	Income tax	Obligations & procedures to file tax returns etc.	Thousand 607
2	Income tax	Year-end adjustment	250
3	Income tax	Special credit for loans relating to a dwelling	216
4	Income tax	Medical expense deduction	196
5	Inheritance tax	Obligations & procedures to file tax returns etc.	135

【Number of consultations at Phone Consultation Centers, by tax category】

(Fiscal year 2023)

Tax category	Cases
Income tax	Thousand 2,376
Corporation tax	224
Property tax	999
Consumption tax etc.	652
Other	1,125

(Tax Answer System)

(Fiscal year 2023)

Rank	Tax category	Items	Cases
1	Income tax	Tax rate of income tax	Thousand 3,693
2	Stamp duty	Table of Stamp Duties (Part1) Type 1 Document to Type 4 Document	2,753
3	Income tax	Deduction for medical expenses	1,947
4	Income tax	Deduction for salary income	1,928
5	Income tax	Exemption for dependents	1,594



NATIONAL TAX AGENCY REPORT 2024

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NTA Website (English)
<https://www.nta.go.jp/english/index.htm>

NTA Website

Various information related to national taxes is posted on the website.

<https://www.nta.go.jp> [in Japanese]

<https://www.nta.go.jp/english/index.htm> [in English]



Japanese



English

e-Tax Website

Such procedures as tax filing, submission of applications and notices, and tax payments for national taxes can be conveniently performed through e-Tax.

<https://www.e-tax.nta.go.jp> [in Japanese]



Official account of the NTA

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