

# From the Commissioner

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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

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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.

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