

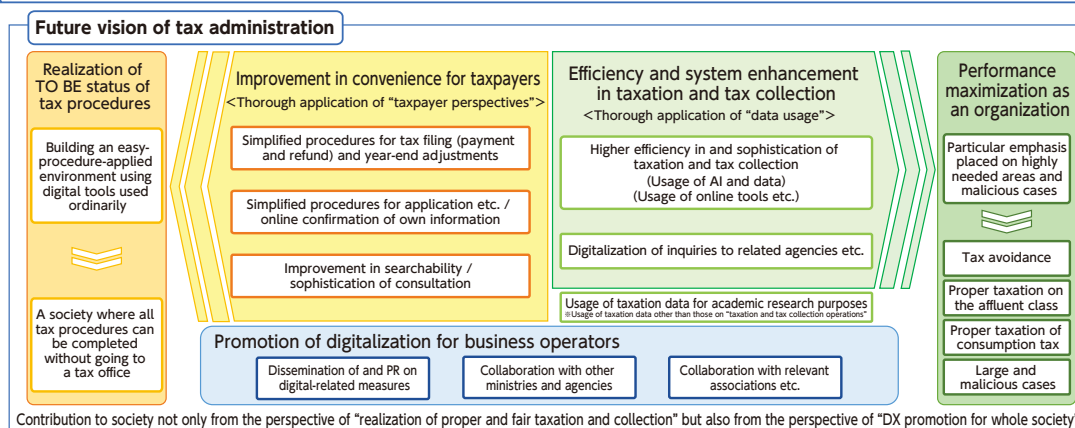
The NTA released “Digital Transformation for Tax Administration: Future Vision of Tax Administration 2023” in June 2023, to further promote the digital transformation for tax administration (hereinafter “DX”), using “Improvement in convenience for taxpayers,” “Efficiency and system enhancement in taxation and tax collection” and “Promotion of digitalization for business operators” as the three main pillars.

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”



\* We will do our best to ensure adequacy in handling taxpayer information and information security.  
 \* We will aim to provide efficient and easy-to-use services for all taxpayers including those who are not dexterous in handling digital.  
 \* Towards realization of the future vision, we will carry out the following: “realize center-based system for internal administrative tasks;” sophisticate the systems; and improve the infrastructure (personnel development etc.).

## 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 concrete measures, we are endeavoring to realize “Japanese version of pre-filled tax return” (tax return not requiring description), for the purpose of aiming for an ideal society where all tax office procedures can be completed without going to a tax office. Specifically, we are promoting the following: simplification of tax return and application procedures (expansion of the range of items that can be entered automatically, etc.), improvement of search and consultation processes by using digital tools, etc.

\*For the status of specific initiatives, see “III Enhancement of Services for Taxpayers and Efficiency of Tax Administration.”

## 2 Taxation and tax collection made more efficient and enhanced

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. From April 2022, the staff of the National Tax College and external researchers jointly started a statistic research project that will contribute to tax and fiscal policies, by using the taxation data held by the NTA. Also, from April 2025, the NTA started to provide tax return data after making them anonymous, to improve for researchers.

\*For the status of specific initiatives, see “IV Proper and fair taxation and tax collection.”

## 3 Promotion of digitalization for 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.

If the various administrative tasks processed by business operators in daily operations (such as accounting and financial management) are digitalized, we can expect productivity improvement through higher efficiency of operations and accuracy improvement through prevention of simple errors.

Also, if daily operations are digitalized, we could expect it might result in digitalization of tax procedures. Therefore, we are also promoting the measures to encourage business operators to pursue operational digitalization, such as dissemination PR for cloud accounting software and digital invoice (Peppol<sup>1</sup>).



Promotion of digitalization  
for business operators  
(in Japanese)

### ■ Web-TAX-TV “DX for accounting operations: Do you know Peppol invoice?”



Online channel “Web-TAX-TV” of the NTA: Programs on introduction and use of “Cloud accounting software,” “Peppol invoice,” etc., are streamed in the style of “drama” easy to understand.

Please watch it!



[Watch a video here]

1 Peppol (Pan European Public Procurement Online): A standard international protocol for exchanging electronic documents such as invoices online.

## Column

## 1

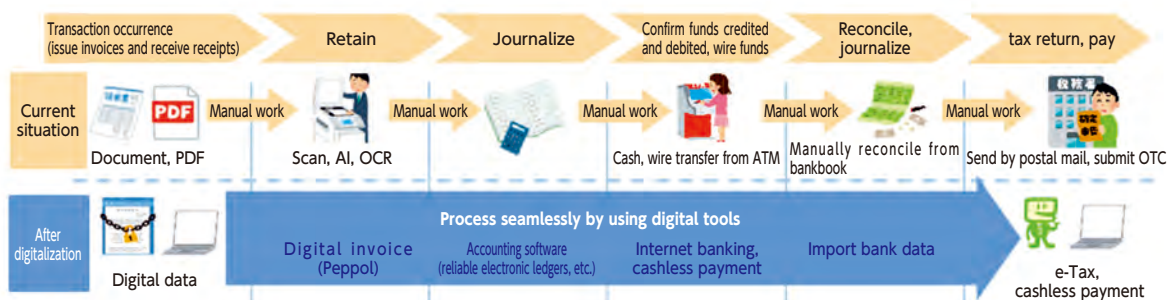
## For wide spread of digitalization for transaction, accounting and taxation (digital seamless)

In the Tax Reform of FY2025, the Act on Retention of Ledgers through Electronic Methods has been revised. In the revision, it is ensured that non-inclusion of certain electronic transaction data in tax return be excluded from the scope subject to heavy additional penalty tax, if the electronic transaction data were produced by a system where electronic transaction data (billing, payment, etc.) are retained without modification etc., the adopted accounting software ensures the recording of journalized data through data linkage, and electronic transaction data are sent, received, and retained while satisfying certain requirements. Also, digital seamless has been added as one of the requirements to apply the special deduction for a blue return taxpayer of 650,000 yen.

The NTA will continue to actively pursue the measures for spreading “digital seamless” \* including such dissemination PR opportunities.



Overview of the reviews on the electronic ledger retention system per the Tax Reform of FY2025  
(in Japanese)



(Source: November 13, 2024, first expert meeting concerning responses to digitalization of economy and society and improving tax payment environment, materials submitted to MOF, partially extracted and processed)

※ “Digital seamless” represents a status where digital processing is carried out consistently; that is, transaction stage operations (such as billing and payment) are processed digitally, using digital invoices (Peppol), etc., and not relying on human manual work, and resultant data are used for journalization, tax return, etc., as well.