

For taxpayers who face difficulty paying their national tax due to the influence of the novel coronavirus disease (COVID-19)

## You can apply for grace of tax payment

**Taxpayers who face difficulty paying their national tax in a lump sum due to the influence of COVID-19 may be granted grace of their tax payment upon application to the tax office.**

### Conventional grace requirements (cover a wide range of taxpayers)

- likely to face difficulty continuing business or maintaining standard of living by paying the national tax in a lump sum
- have sincere intention to make tax payments
- have no outstanding national tax other than the one to apply for the grace
- apply for within six months from the due date for payment

(Note) 1 No security is required unless it is obviously possible to provide such security.

2 If the taxpayer already has other outstanding national taxes or failed to apply by the application deadline, grace by the director of the district tax office's own authority will be considered.

### If a taxpayer is granted conventional grace ...

- The taxpayer will be granted grace of tax payment for one year in principle.
  - The taxpayer will pay the tax in installments depending on the taxpayer's financial resources.
- Delinquent tax (interest on principal tax) will be reduced during the grace period.
  - Normal annual rate: 8.9 percent → reduced annual rate: 1.6 percent\*
  - \* Interest rate of delinquent tax for 2020

Grace of asset conversion upon application (National Tax Collection Act Article 151-2)

**For taxpayers whose income has decreased by about 20% or more, there is another new grace with better conditions.**

## “Special grace (special grace of tax payment)” has been established!

No delinquent tax (interest on principal tax)

Grace period for one year

No security required

### Requirements for “special grace”

- Taxpayers who meet both of the following requirements are eligible for special grace.
  1. decrease in their income from business, etc.\* for any period (more than one month) after February 2020 by about 20 percent or more compared to the same period of the previous year due to the influence of COVID-19
  2. difficulty paying their national tax in a lump sum

\* In addition to income from business, "Income" here includes regular income such as salary income, but does not include temporary income such as income from transfer of assets.
- Taxpayers need to submit “Application form for special grace to their district tax office by due date for payment.”

\* Taxpayers may be eligible to make application even after the deadline if they have unavoidable reasons.  
Please feel free to contact your district tax office (the Collection group).

- Special grace covers national taxes which are due by the date between February 1, 2020 and February 1, 2021.

(Special grace of tax payment: Act on Extraordinary Exception on National Tax Related Laws to address the impact of the Novel Coronavirus Disease Article 3)



**First, please contact the "Regional Taxation Bureau Grace Support Center" by telephone as soon as possible.**

- For inquiries regarding the grace system, please contact the "Regional Taxation Bureau Grace Support Center".

【Reception time】

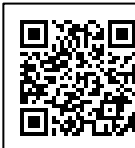
8:30-17:00 (Excludes weekends and holidays)

【Phone number】

Phone number varies based on each regional taxation bureau, so please check the National Tax Agency website.

[https://www.nta.go.jp/english/tax\\_payment/02.htm](https://www.nta.go.jp/english/tax_payment/02.htm)

For phone number



## How to apply for grace

Please file the "Application for grace of tax payment" form to your district tax office (the Collection group).

You can apply by mail (the format is available at the National Tax Agency website) or by e-Tax

- If you find it difficult to complete the application form, please feel free to contact the Regional Taxation Bureau Grace Support Center (toll-free number).
- To check your income and expenditure status, we ask that you prepare documents such as bankbooks and sales book. However, if it is difficult for you to present the documents, our tax official will verbally ask you about your status.

### Please note

- Application for special grace is required by the due date for payment.
- Even when you cannot be granted special grace, you may be granted conventional grace if you meet the requirements.  
(Note) Application for the conventional grace is required within six months from the due date for payment.

**The tax office will promptly carry out the prescribed examination.**

### If special grace is granted ...

- A "Notification of Grant of Grace" which indicates the amount for the grace and the provision of the basis of grace will be sent to you.
- In the case you obtain a certificate of tax payment (No.1) regarding the amount for the grace during the grace period, it will be written that the special grace has been applied in the "Remarks" space of the certificate.

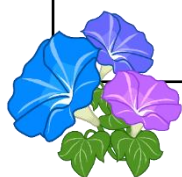
### If you have any other individual circumstances, please let us know.

In the case of the following individual circumstances, grace period of tax payment may be granted with no delinquent tax (interest on principal tax) apart from the special grace, so please let us know upon consultation.

[Case 1] Disposal of equipment and inventory due to disinfection work being carried out at a facility where a COVID-19 case occurred

[Case 2] The costs associated with medical expenses and treatment costs out of the amount which the national tax cannot be paid in a lump sum, in the case you or your family member within the same livelihood suffers from an illness.

Grace of tax payment (Acts on General Rules for National Taxes Article 46)



For details on grace of national tax payment



- ※ There are similar system for local taxes and social insurance.  
For details on local taxes, please check the website of the Ministry of Internal Affairs and Communications ([https://www.soumu.go.jp/menu\\_kyotsuu/important/kinkyu02\\_000399.html](https://www.soumu.go.jp/menu_kyotsuu/important/kinkyu02_000399.html)).  
For details on social insurance, please check the website of the Ministry of Health, Labour and Welfare ([https://www.mhlw.go.jp/stf/newpage\\_10925.html](https://www.mhlw.go.jp/stf/newpage_10925.html)).