

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

You can apply for the grace of tax payment

If you cannot pay your national taxes in a lump sum due to the influence of Covid-19, you will be granted a maximum one-year's grace period in principle if you apply to your district tax office and fulfill all of the following requirements. Please consult your district tax office. (officials in charge of tax collection)

Requirements for the grace of asset conversion

- ① It can be recognized that you are likely to face difficulty continuing your business or maintaining your standard of living by paying national taxes in a lump sum.
- ② It can be recognized that you have sincere intention to pay taxes payments.
- ③ You have no outstanding national taxes other than the one to apply for grace.
- ④ The application form for the grace has been submitted within six months after the due date of the national taxes you have to pay.

(Note) Even if you already have other outstanding national taxes or have had national taxes unpaid for more than six months after their due date, they may be granted the grace of asset conversion by the director of your district tax office. (Article 151 of the National Tax Collection Act)

* No security will be necessary unless it is obviously possible to provide such security.

Once the grace is granted,

- ① You will be granted the grace **for one year** in principle. (Another year may be granted, depending on circumstances.)
- ② Delinquent tax (interest on principle tax*) during the grace period will be reduced.

*In 2022, the rate of delinquent tax will be reduced from 8.7% annum to 0.9% annum.

- ③ Seizure of assets or asset conversion (sale of assets) will be suspended.

(Grace of asset conversion: Article 151-2 of the National Tax Collection Act)

Furthermore, you may be eligible to a different grace system if you are in certain individual circumstances. (Please see the back of this page.)



In the case of the following individual circumstances, the grace of tax payment may be granted with no delinquent tax, so please let us know upon consultation.

Example of individual circumstances (the grace of tax payment)

- The event that you were forced to dispose of furnishing or inventory because disinfection work took place in a facility in which a Covid-19 infection case was confirmed.
- If you or your family members living in the same household became ill, the national tax amount you cannot pay in a lump sum equivalent to the costs associated with medical expenses and treatment costs etc. can be granted the grace.
- If you were forced to close or suspend your business, the amount of the national tax amount you cannot pay in a lump sum equivalent to losses or expenses caused by the closure or suspension of business can be granted the grace.
- If you suffered considerable losses in your business due to a decrease in profits, the national tax amount you cannot pay in a lump sum equivalent to the suffered losses can be granted the grace.

Once the grace is granted,

- ① You will be granted the grace for one year in principle. (Another year may be granted, depending on circumstances.)
- ② **Delinquent tax (interest on principle tax*) during the grace period will be reduced or exempted.**
- ③ Seizure of assets or asset conversion (sale of assets) will be suspended.

* In 2022, the rate of delinquent tax will be reduced from 8.7% annum to 0.9% annum.

(Grace of tax payment: Article 46 of the Act on General Rules for National Taxes)

How to apply for the grace

- You need to submit "Application form for the grace" to your district tax office.
➔ **Please use convenient "e-Tax" for application. You can also apply by mail (the format is available at the National Tax Agency website).**
- To check your income and expenditure status, we ask that you prepare documents such as sales book. However, **if it is difficult for you to present the documents, our tax official will verbally ask you about your status.**

Regarding details of the grace system, please check the National tax agency website and consult your district tax office (officials in charge of tax collection) by phone.

For details



National Tax Agency

