

The Grace System is in place for taxpayers who face difficulty in paying their national taxes in a lump sum.

Grace Period of Realization based on application

Taxpayers who fall under all the following items are eligible for the Grace Period of Realization for up to one year in principle.

1. It is found that taxpayers are likely to face difficulty in continuing their business or maintaining their standard of living by paying national taxes in a lump sum.
2. It is found that Taxpayers have a sincere intention to make tax payments.
3. Taxpayers owe no outstanding national taxes other than the taxes for which they are applying for the Grace Period.
4. Application Form is submitted within 6 months from the due date for tax payments.
5. Securities are provided in principle.

The Grace Period of Realization by the authority of the district director of the tax office stands beside the above-mentioned Grace Period of Realization based on application.

Tax Payment Grace Period

Taxpayers who fall under all the following items are eligible for the Tax Payment Grace Period for up to one year in principle.

1. There is a fact that meets one of the following A to F.
 - A. A taxpayer's property has suffered from an earthquake, wind, flood, lightning, fire or any other similar disaster or robbery.
 - B. A taxpayer or his/her family members whose living expenses are paid from the same resources as those of the taxpayer became ill or got injured.
 - C. A taxpayer was forced to suspend or discontinue their business.
 - D. A taxpayer's business has suffered considerable losses.
 - E. A taxpayer had a situation similar to one of the A to D above.
 - F. The tax amount a taxpayer should pay was determined through an amended return, etc. after more than one year from the original due date.
2. It is found that a taxpayer cannot pay taxes in a lump sum due to the above fact.
3. Application Form is submitted. (In the case of F, a taxpayer submits the Form by the due date.)
4. Securities are provided in principle.

If taxpayers have suffered considerable losses of property due to disasters before the due date, they can be granted the Tax Payment Grace Period for Disaster Victims.

Once the Grace Period is granted;

- Delinquent tax during the grace period is to be reduced or exempted.
- Seizure or realization of assets is to be graced.

Details



Documents for Application

If you apply for the Grace Period, you need to submit the following documents:

1. Application for the Grace Period of Realization or Application for the Tax Payment Grace Period
2. Documents that show situations regarding asset, liability, income, and expenditure
3. Documents on the provision of security
4. Documents that certify the facts such as disasters (in the case of Tax Payment Grace Period)

Provision of Security

If you apply for the Grace Period, you need to provide security equivalent to the tax amount that you seek the Grace Period for in principle.

Please notice that you do not have to provide security in the case of the following conditions:

- The subject tax amount that you seek the Grace Period for is 1 million yen or less
- The duration of the grace period is 3 months or less
- There is a fact, such as the situation where you do not have properties you can provide as a security

Grace Period

The grace period should be up to one year and be limited to the period in which the applicant is found to have the capacity of paying taxes as soon as possible based on their assets, income and expenditure.

Regarding the national taxes that are granted for the Grace Period, you need to make installment payments every month during the grace period in principle.

(Note)

If it is found that there are unavoidable circumstances so that the taxpayer cannot make full payment during the grace period, the period may be extended. (up to 2 years, together with the initial grace period)

Cancellation of Grace Periods

In the case of the following situations, your granted Grace Period can be cancelled:

- Payment has not been made along with the installment payment plan.
- Taxes to be newly paid other than the taxes granted for the Grace Period became delinquent.

- You can refer the Guide to Applying for Grace about how to fill in the application form.
- You can fill in and submit application form in your smartphones or tablets by e-Tax software.
- If you cannot pay taxes by the due date, please consult your district's tax office (Collection Group) as soon as possible.

If you do not pay taxes by the due date, the delinquent tax will be imposed depending on the number of days until you pay them.

If you still do not pay taxes even after receiving demand letter, your property may be subject to the execution of the collection procedure, such as seizure.