

For Corporations Consumption and Local Consumption Taxes Return Form Guide (General Form)

Tax Office

- This guide explains general matters for corporations with regard to “**Consumption and local consumption taxes return form (General Form)**” and a separate “**Appended Table [Breakdown statement of tax base amount, etc. of business posting specific taxable purchases]**” and “**Schedule 2 - Table for calculating taxable sales ratio and deductible tax on purchases**” attached thereto.
- This guide is intended to be referred to when preparing a consumption and local consumption taxes final return form or an interim return form based on provisional settlement of account, without applying the Simplified tax system.
 - * For corporations who have selected to apply the Simplified tax system (limited to those whose taxable sales during the base period (the second preceding business year) are 50 million yen or less), please refer to “For Corporations - Consumption and Local Consumption Taxes Return Form Guide (Simplified Tax Form)” instead.
- Corporations filing a return in which there is tax refundable for insufficient deduction should submit a “Statement for claiming a consumption tax refund (for corporations)” along with their return form.
 - * When you are filing a return in which there is no tax refundable for insufficient deduction (i.e. a return in which there is refundable interim payment only), the aforementioned statement is not required



◎ Introduction of the social security and tax number system

As a result of the introduction of the social security and tax number system, it will be necessary to state the Corporation Numbers in tax returns and other statutory records that will be submitted to the Tax Office from January 2016 onward.

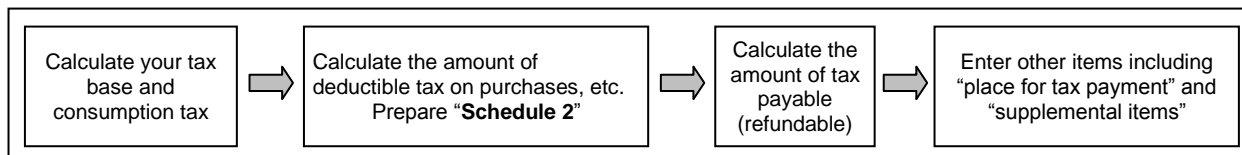
For general information on the social security and tax number system on national taxes; please visit the website of the National Tax Agency.

- ▶ Website of the National Tax Agency (www.nta.go.jp/mynumberinfo/index.htm)

<As of October 2015>

<Procedures for preparing a return (where there are no specified taxable purchases)>

A return shall be prepared in the following steps.



Note: If there are transactions to which the old tax rates (3% or 4%) were applied because of a provisional measure, Schedule 1 and Schedule 2-(2) shall be used instead of Schedule 2. These schedules are available at the reception counter of any Tax Office or can be downloaded from the National Tax Agency website (www.nta.go.jp).

⚠ Where there are specified taxable purchases, it is required to file a return using a Reverse charge mechanism. For a guide to prepare a return using a Reverse charge mechanism, please refer to "<Procedures for preparing a return where there are specified taxable purchases>" on page 11 onward.

Cases where it is required to file a return using a Reverse charge mechanism

Of taxable purchases made within Japan, "provision of business to business (B2B) electronic services" received from a foreign business shall be referred to as "specified taxable purchases." The "specified taxable purchases" are subject to the filing of a return using a Reverse charge mechanism.

If a business whose taxable sales ratio is under 95% files a return using the General Form during the taxable period in which there are "specified taxable purchases," it is required to file a return using a Reverse charge mechanism.

*1 However, even in such a case where a business files a return using the General Form, the specified taxable purchases made during the taxable period in which the taxable sales ratio is 95% or more and in which the Simplified tax system is applied, shall be disregarded for the time being. In addition, a Tax-exempt business is also exempted from the obligation to pay consumption tax on specified taxable purchases; it is not required to file a return using Reverse charge mechanism.

*2 "Provision of B2B electronic services" received from a Tax-exempt foreign business, shall also be regarded as "specified taxable purchases."

Following the revisions made effective October 1, 2015, the provision of services via electronic and telecommunication network (e.g., Internet), such as provision of e-books, music or advertisement, is defined as "provision of electronic services" and the criteria for determining whether or not such provision of services shall be regarded as a domestic transaction subject to consumption tax has been revised from the location of the office of the service provider associated with providing such services to "address of the service recipients." Consequently, the recipient of "provision of B2B electronic services" has an address in Japan is subject to tax, regardless of whether such services are provided by domestic or foreign businesses.

In connection with this, a so-called Reverse charge mechanism, which places an obligation for filing and paying tax to a domestic business who received the services, was introduced to "provision of B2B electronic services" by a foreign business.

—With regard to the provision of specified services takes place on or after April 1, 2016—

From April 1, 2016, when a foreign business provides transaction as a business main content of which is to provide services by film or theater actors/actresses, musicians, and any other entertainers, or professional athletes, and the service is provided by the foreign business to other businesses, the transaction is regarded as a "provision of specific services."

When the "provision of specific services" is conducted by a foreign business for a Japanese business, the Japanese business receiving the service is liable to file and pay tax on the specific taxable purchases for receiving the specific services (a Reverse charge mechanism).

- ⚠ Please submit the completed return form to the Tax Office covering your place for tax payment within the deadline for filing.
However, a corporation whose taxable sales (including Tax-exempt sales) during the base period for this tax return (the second preceding business year) are 10 million yen (annual equivalent) or less is regarded as a Tax-exempt business and therefore is not required to file a final tax return.
- * However, even in such a case where the taxable sales during the base period are 10 million yen or less, if the taxable sales during a specified period (6-month period from the beginning of the preceding year) exceeded 10 million yen, the corporation is regarded as a Taxable Person and therefore is required to file a final tax return.
Alternatively, the criteria of 10 million yen for a specified period can be judged by using the total amount of salary and related payments, instead of using the amount of taxable sales.
- ⚠ A corporation who has no base period but whose amount of capital stock or capital contributions at the beginning of the business year is 10 million yen or more (hereinafter “new corporation”) and a corporation who has submitted the “Report on the Selection of Taxable Proprietor Status for Consumption Tax” is regarded as a Taxable Person and therefore is required to file a final tax return.
In addition, of corporations who have no base period but whose amounts of capital stock or capital contributions at the beginning of the business year are less than 10 million yen (hereinafter “newly established corporation”), a corporation who falls under both category ① and ② below (hereinafter “specified newly established corporation”) is regarded as a Taxable Person and therefore is required to file a final tax return.
- ① At the beginning of the business year in which there is no base period, the corporation meets the definition of a certain case where the newly established corporation is controlled by another party directly or indirectly exceeding 50% of the total amount number or amount of issued shares, etc. of the newly established corporation (hereinafter “specific requirement”).
- ② Any other party became the basis for determination of specific requirements or any corporation having a special relationship with such other party has taxable sales exceeding 500 million yen for a period corresponding to a base period for the business year of the newly established corporation.
- * When taxable purchases of fixed assets subject to adjustment (which represent fixed assets purchased at a price of 1 million yen or more (excluding the amount equivalent to consumption tax)) were made during the taxable period of either the following ① or ②, and when a final return for the period during which taxable purchases was made was filed using the General Form, a new corporation and a specified newly established corporation may not be exempted from the obligation for tax payment, in principle, for 3 years from the first day of the taxable period. In such case, a corporation who has selected to be a Taxable Person cannot become a Tax-exempted business and therefore is required to file a final tax return. Furthermore, such corporation cannot apply the Simplified tax system during the following periods.
- ① Throughout the respective taxable period in which there is no base period, in the case of a new corporation and a specified newly established corporation.
- ② Throughout the respective taxable period beginning between the date on which the corporation became a Taxable Person and its second anniversary, in the case of a corporation who has submitted the “Report on the Selection of Taxable Proprietor Status for Consumption Tax.”
- ⚠ Please note that, when a corporation being a Tax-exempt business files a final return claiming a tax refund, it is basically required to file the “Report on the Selection of Taxable Proprietor Status for Consumption Tax” by the day preceding the first day of the taxable period for which the tax refund is claimed.
- ⚠ Please pay the amount of tax payable filed in return by the deadline for filing.
In addition, even where the interim payment or transferable interim payment is printed on the return form received from the Tax Office, please make the payment promptly if all or a portion of the amount has not been paid yet.
Please be reminded that delinquent tax will be levied if the amount has not been paid by the due date (deadline for filing the return form).

I Types of amounts of taxable sales, etc.

Aggregate the sales during the taxable period **for each type** of taxable sales, Tax-exempt sales and Non-taxable sales.

Similarly, aggregate the amount of value of refunds, etc. for sales (amount of returns, discounts or rebates) **for each type** for the purpose of calculating taxable sales ratio.

This guide describes how to enter the transactions in the return form, taking a corporation which business year ends in December as an example.

Example

Details of the taxable sales, etc. during the current taxable period of Kasumi Company Limited (from January 1, 2015 to December 31, 2015) are as follows. There were no transactions to which the old tax rates (**3% or 4%**) were applied.

	(In yen)
1. Sales during the taxable period	
(1) Taxable sales (tax included)	395,000,000
(2) Tax-exempt sales	11,000,000
(3) Non-taxable sales	8,000,000
2. Amount of value of refunds, etc. for sales (relating to taxable sales (tax included))	18,500,000
3. Amount of taxable purchases during taxable period (tax included)	308,500,000
4. Amount of value of refunds, etc. for purchases (relating to taxable purchases (tax included))	12,500,000
5. Amount deducted as bad debt (tax included)	1,300,000
6. Interim consumption tax payment	1,500,000
7. Interim local consumption tax payment	404,700

II Entries in “Calculation of the amount of consumption tax for this return form”

■1 “Tax base ①” column

Enter the amount calculated by multiplying taxable sales (tax included) by $\frac{100}{108}$ and rounding down the amount to the nearest thousand yen.

$$¥395,000,000 \text{ (taxable sales (tax included))} \times \frac{100}{108} = ¥365,740,740 \rightarrow ¥365,740,000$$

(rounded down to the nearest thousand yen)

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for sales from the amount of sales is used, calculate the tax base based on the amount after deduction.

■2 “Consumption tax ②” column

Calculate the consumption tax by multiplying the tax base resulted from 1 by 6.3%

$$¥365,740,000 \text{ (tax base)} \times 6.3\% = ¥23,041,620$$

■3 “Tax adjustment for excess deduction ③” column and “Deductible tax on purchases ④” column

Prepare **Schedule 2** now as the figures in these columns should be transferred from Schedule 2.

❖ Preparation of “Schedule 2”

(1) “Taxable sales (tax excluded) ①” column

Taxable sales (tax included) Amount of refunds, etc. of for sales (tax included)

$$¥395,000,000 \times \frac{100}{108} - ¥18,500,000 \times \frac{100}{108} = ¥348,611,111$$

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for sales from the amount of sales is used, the amount calculated by multiplying the amount after subtraction by $\frac{100}{108}$ is to be entered in the column ①.

(2) “Tax-exempt sales ②” column

Enter the portion of the amount of the transfer value of taxable assets, etc., that is exempted from consumption tax under the provisions of Articles 7 and 8 of Consumption Tax Act as well as Act on Special Measures concerning Taxation, etc.

In this example, enter ¥11,000,000 as Tax-exempt sales.

Note: The amount relating to export transactions, etc., including the export of assets that would be Non-taxable sales if transferred within Japan or the export of assets for its own use or a transfer outside Japan, is treated as the amount of Tax-exempt sales in the calculation of taxable sales ratio. Therefore, enter such amount in “Exports of Non-taxable assets, etc. and the amount of value of assets transferred to overseas branches, etc. ③” column.

(3) “Non-taxable sales ⑥” column

Enter the portion of the amount of the transfer value of Non-taxable assets, etc., that should be added to the denominator of taxable sales ratio, in the column ⑥.

In this example, enter ¥8,000,000 as Non-taxable sales.

Note: Please note that, in some cases, an adjustment to the amount that should be added to the denominator of taxable sales ratio may be necessary. For example, where certain securities such as shares are transferred or where loans, deposits, accounts receivable and other monetary receivables (excluding those acquired as the transfer value of assets, etc.) are transferred, the amount equivalent to 5% of the transfer value may be used as the amount that should be added to the denominator of taxable sales ratio.

(4) “Taxable sales ratio (④/⑦)” column

$$\begin{aligned} & \frac{¥348,611,111 \text{ (taxable sales (tax excluded))} + ¥11,000,000 \text{ (Tax-exempt sales)}}{¥348,611,111 \text{ (taxable sales (tax excluded))} + ¥11,000,000 \text{ (Tax-exempt sales)} + ¥8,000,000 \text{ (Non-taxable sales)}} \\ &= \frac{¥359,611,111 \text{ (column ④)}}{¥367,611,111 \text{ (column ⑦)}} = 97.823\ldots\% \geq 95\% \end{aligned}$$

Note: While taxable sales ratio is usually not rounded, it is permitted to round off to any decimal place.

(5) “Amount of value of payment for taxable purchases (tax included) ⑧” column

Enter the amount of value of payment for taxable purchases during the taxable period, after subtracting the amount of value of refunds, etc. for taxable purchases. If it is not possible to subtract all the amount, please consult the Tax Office.

Amount of taxable purchases (tax included) – Value of refunds, etc. for purchases (tax included)

$$¥308,500,000 - ¥12,500,000 = ¥296,000,000$$

Note 1: Of taxable purchases made within Japan, with regard to the “provision of electronic services” other than the “provision of B2B electronic services” received from a foreign business, please note that only the portion received from the “Registered foreign business” is regarded as deductible tax on purchases.

Note 2: Where the accounting method to directly subtract the amount of value of refunds, etc. for taxable purchases from the amount of purchases is used, enter the amount after subtraction (tax included).

(6) “Consumption tax on taxable purchases ⑨” column

Enter the amount calculated using the following formula.

$$\begin{array}{|l|} \hline \text{Amount of value of payment for taxable} \\ \text{purchases (tax-inclusive amount before} \\ \text{deducting the amount of value of refunds,} \\ \text{etc. for purchases)} \\ \hline \end{array} \times \frac{6.3}{108} - \begin{array}{|l|} \hline \text{Amount of value of refunds,} \\ \text{etc. for purchases (tax} \\ \text{included)} \\ \hline \end{array} \times \frac{6.3}{108} = \begin{array}{|l|} \hline \text{Consumption tax on} \\ \text{taxable purchases} \\ \hline \end{array}$$

(In this example)

$$¥308,500,000 \times \frac{6.3}{108} - ¥12,500,000 \times \frac{6.3}{108} = ¥17,266,667$$

Note 1: When there is an amount of consumption tax levied, or an amount of any that should be levied, on taxable freight retrieved from bonded areas, enter the amount in “Consumption tax on taxable freight ⑫” column. When there is an amount of refunds relating to consumption tax on taxable freight, enter the balance after deducting such portion.

Note 2: When a Tax-exempt business becomes a Taxable Person or the other way round, it is necessary to adjust the amount of tax on taxable purchases, etc. for inventory. In this case, enter the portion of the amount of tax on taxable purchases, etc. for inventory, that should be added or subtracted, in “Consumption tax adjustment (addition or subtraction) if you have been granted or have lost tax liability exemption status ⑬” column.

(7) “Taxable sales are 500 million yen or less and the taxable sales ratio is 95% or more ⑮” column and “Taxable sales are over 500 million yen or the taxable sales ratio is under 95% ⑯ to ⑰” column

❖ When taxable sales during the taxable period are 500 million yen or less and the taxable sales ratio is 95% or more, the total amount of tax on taxable purchases, etc. is fully deductible. Therefore, the amount in column ⑭ also goes to column ⑮.

In this example, as taxable sales during the taxable period are 500 million yen or less and the taxable sales ratio is 97.823...%, ¥17,266,667 in column ⑭ also goes to column ⑮.

Note: Taxable sales in this context refer to the total amounts of “Taxable sales (tax excluded) ①” column and “Tax-exempt sales ②” column.

However, if the taxable period is less than 1 year, taxable sales should be the annualized amount of taxable sales during the taxable period of less than 1 year (i.e. the amount calculated by dividing taxable sales by a number of months in the taxable period and then multiplying by 12).

❖ When taxable sales during the taxable period are over 500 million yen or the taxable sales ratio is under 95%, enter the amount according to the deduction method applied.

(A) In the case of itemized method, out of the amount of tax on taxable purchases, enter the amount required only for taxable sales in column ⑯ and the amount required for both taxable sales and Non-taxable sales in column ⑰. Then, enter the amount calculated using the formula mentioned in column ⑰ in the same column.

(B) In the case of proportional method, enter the amount calculated using the formula mentioned in column ⑰ in the same column.

(8) “Deduction/Amount of deductible tax on purchases ⑳” column

Calculate the amount of deductible tax on purchases using the presented formula.

Note: If the result of calculation using the formula in column ㉑ is negative, enter the amount in “Deduction/Tax adjustment for excess deductions ㉒” column.

(9) “Amount of consumption tax relating to recovered bad debt ㉓” column

If you have recovered bad debt that was previously deducted during or by the preceding taxable period, enter the consumption tax included in the recovered bad debt.

Once Schedule 2 is completed, transfer the following items required in the return form and go back to the calculation of the rest of the items.

Items in initial columns before transferring the amounts to different columns	Columns to which items should be transferred
Amount in column ④ in Schedule 2	Column ⑮ in the form
Amount in column ⑦ in Schedule 2	Column ⑯ in the form
Amount in column ㉑ in Schedule 2	Column ④ in the form
Amount in columns ㉒ and ㉓ in Schedule 2	Column ③ in the form

■4 “Tax relating to value of refunds, etc. ⑤” column

When there is an amount of value of refunds, etc. relating to taxable sales, enter the amount of tax included therein.

¥18,500,000 (amount of refunds, etc. for sales (tax included)) $\times \frac{6.3}{108} = ¥1,079,166$
(rounded down to the nearest one yen)

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for sales from the amount of sales, no entry is necessary in this column.

■5 “Tax relating to bad debt ⑥” column

When there is a portion of accounts receivables, etc. relating to taxable sales, that became bad debt, enter the tax included in the portion.

¥1,300,000 (amount of bad debt) $\times \frac{6.3}{108} = ¥75,833$ (rounded down to the nearest one yen)

■6 “Balance ⑨” column or “Tax refundable for insufficient deduction ⑧” column

Calculate the balance or tax refundable for insufficient deduction of consumption tax using the presented formula.

■7 “Interim payments ⑩” column

When there is an amount of interim tax payment filed in an interim return, enter the total amount (in this example, ¥1,500,000).

■8 “Amount of tax payable ⑪” column or “Refundable interim payments ⑫” column

Calculate the amount of tax payable or refundable interim payments using the presented formula.

III Entries in “Calculation of the amount of local consumption tax for this return form”

■1 “Consumption tax as local consumption tax base/Balance ⑬” column or “Tax refundable for insufficient deduction ⑭” column

Transfer the amount in “Balance ⑨” column or “Tax refundable for insufficient deduction ⑧” column in the return form to here.

■2 “Transferable amount/Amount of tax payable ⑯” column or “Amount refundable ⑰” column

Calculate the amount by multiplying the amount in “Consumption tax as local consumption tax base/Balance ⑬” column or “Tax refundable for insufficient deduction ⑭” column in the return form by $\frac{17}{63}$.

■3 “Transferable interim payments ⑱” column

When there is an amount of transferable amount filed in an interim return, enter the total amount (in this example, ¥404,700).

■4 “Transferable tax payable ⑲” column or “Transferable interim payments refundable ⑳” column

Calculate the amount of transferable tax payable or transferable interim payments refundable using the presented formula.

■5 “Total of consumption and local consumption taxes (payable or refundable) ㉔” column

Enter the amount calculated using the formula of $(⑪ + ⑲) - (⑧ + ⑫ + ⑰ + ㉓)$. (If it results in a refundable amount, enter the amount with a minus (-) mark. **Do not use “△” mark.**)

IV Entries in “Place for tax payment” and other columns

■1 Enter the location of head office or principal office in “Place for tax payment” column. A corporation who is filing a return to the Tax Office covering the jurisdiction of its business office etc. instead of its head office should enter the location of the office, etc., with the location of head office, etc. in brackets.

■2 Enter the business name of the corporation in “Business or shop name” column. If a merging corporation files a return of the merged corporation for the final business year, enter the name of the merged corporation in brackets under the name of the merging corporation.

■3 For the return form which taxable period begins on or after January 1, 2016, enter your 13-digit Corporate Number which was notified by the Commissioner of the National Tax Agency in “Individual Number or Corporate Number” column.

■4 Do not enter anything in “* For official use only” column.

- 5 Enter the taxable period for which the return form is filed, in “From Heisei yy/mm/dd / To Heisei yy/mm/dd” column. When filing an interim return form based on provisional settlement of account, also enter the first and last days of the period for which the interim return form is filed, in “Period subject to interim return if applicable” column.
- 6 Enter “Final” in the brackets of “() return form for consumption and local consumption taxes for the taxable period” column. When filing an interim return form based on provisional settlement of account, enter “Interim” in brackets.

V Entries in “Supplemental items” and other columns

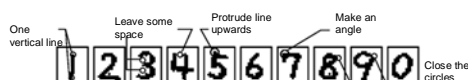
- 1 Circle the “○” mark for an appropriate item respectively in “Supplemental items” and “Reference items” columns
 - For “Applying a special method for calculating consumption tax on the tax base” column, circle the “Y「有」” mark when a provisional measure for calculating consumption tax on the tax base (Ordinance of the Ministry of Finance No. 92 of 2003, Article 2 of supplementary provisions) can be applied to a portion of the sales.
 - For “Submission of Appended table for Specific taxable purchase” column, circle the “○” mark when submitting the separate “Appended Table of tax base, etc. where there are specified taxable purchases.”
 - For “Taxable sales for the base period” column, enter the amount of taxable sales (tax excluded) during the base period of taxable period for this tax return (the second preceding business year) after deducting the amount of value of refunds, etc. for taxable sales (tax excluded) and adding Tax-exempt sales.
- 2 For “Breakdown of ① and ②” column, enter the amount of tax base and consumption tax relating to the transfer of taxable assets, etc., for which the type of “Amount levied 3%,” “Amount levied 4%” or “Amount levied 6.3%” is applied, in the column corresponding to the applicable type.
- 3 For “Breakdown of ⑰ or ⑱” column, enter the amount of consumption tax as local consumption tax base, in the column corresponding to applicable type of “Amount levied 4%” or “Amount levied 6.3%.”
- 4 For “Financial institution, etc. for refund collection” column, enter the name of the financial institution, etc. for refund collection when the negative amount is entered in “Total of consumption and local consumption taxes (payable or refundable) ⑳” column.
- 5 For “Documents required under Article 30 of Certified Public Tax Accountant Law is submitted together” column and “Documents required under Article 33-2 of Certified Public Tax Accountant Law is submitted together” column, circle the “○” mark in the applicable column when submitting the document.

VI Entries in “No need to send return form next year onward” column

Circle the “○” mark in “No need to send return form next year onward” column (shown in upper right of the return form), when you do not need the Tax Office to send a return form next year onward for a reason such as the use of commercially available accounting software is planned.

⚠ The OCR (Optical Character Recognition) input final return form is machine-readable. When entering numbers in your form, enter clear figures in the prescribed boxes using a black ballpoint pen.

(Entry examples) ○ Good example



× Bad example



Schedule 2 - Table for calculating taxable sales ratio and deductible tax on purchases, etc.

Taxable period		27.1.1 ~ 27.12.31		Name or shop name		Kasumi Company Limited	
Item				Amount			
Taxable sales (tax excluded)				①	348,611,111 yen		
Tax-exempt sales				②	11,000,000		
Exports of non-taxable assets, etc. and the amount of the value of assets transferred to overseas branches, etc.				③			
Amount of the transfer value of taxable assets, etc. (① + ② + ③)				④	359,611,111 * To column ⑮ in the form		
Amount of the transfer value of taxable assets, etc. (④)				⑤	359,611,111		
Non-taxable sales				⑥	8,000,000		
Amount of the transfer value of assets, etc. (⑤ + ⑥)				⑦	367,611,111 * To column ⑮ in the form		
Taxable sales ratio (④/⑦)					[97.82 %] * Round down		
Amount of value of payment for taxable purchases (tax included)				⑧	296,000,000		
Consumption tax on taxable purchases (⑧ × 6.3/108)				⑨	17,266,667		
Amount of value of payment for specified taxable purchases				⑩	* To be filled in only by a business whose taxable sales ratio is less than 95% and who has the specified taxable purchases		
Consumption tax on specified taxable purchases (⑩ × 6.3/100)				⑪			
Consumption tax on taxable freight				⑫			
Consumption tax adjustment (addition or subtraction) if you have been granted or have lost tax liability exemption status				⑬			
Total amount of tax on taxable purchases, etc. (⑨ + ⑪ + ⑫ ± ⑬)				⑭	17,266,667		
Taxable sales are 500 million yen or less and taxable sales ratio is 95% or more (amount of ⑭)				⑮	17,266,667		
Taxable sales are over 500 million yen or taxable sales ratio is less than 95%	Itemized method	Portion of ⑭ that is required only for taxable sales		⑯			
		Portion of ⑭ that is required for both taxable and non-taxable sales		⑰			
		Amount of tax on taxable purchases, etc. that is deducted by itemized method [(⑯ + (⑰ × ④/⑦))]		⑱			
		Amount of tax on taxable purchases, etc. that is deducted by proportional method (⑭ × ④/⑦)		⑲			
Tax adjustment for the amount of deduction	Amount of consumption tax adjustment (addition or subtraction) for fixed assets subject to adjustment where there is a change in the taxable sales ratio			⑳			
	Amount of adjustment (addition or subtraction) when diverting fixed assets subject to adjustment for the use in taxable (non-taxable) operation			㉑			
Deduction	If the amount of deductible tax on purchases [(amount of ⑱, ⑲ or ㉑) ± ㉒ ± ㉓] is positive			㉒	17,266,667 * To column ④ in the form		
	If tax adjustment for excess deductions [(amount of ⑱, ⑲ or ㉑) ± ㉒ ± ㉓] is negative			㉓	* To column ③ in the form		
Amount of consumption tax relating to recovered bad debt				㉔	* To column ③ in the form		

<Procedures for preparing a return where there are specified taxable purchases>

After following the procedures for preparing a return in the upper part of page 2, prepare a separate “Appended Table of tax base, etc. where there are specified taxable purchases.” In preparing the return, please refer to the notes and other matters described on page 2 and 3.

I Types of amounts of taxable sales, etc.

Aggregate the sales during the taxable period for each type of taxable sales, Tax-exempt sales and Non-taxable sales.

Similarly, aggregate the amount of value of refunds, etc. for sales (amount of returns, discounts or rebates) for each type for the purpose of calculating taxable sales ratio.

This guide describes how to enter the transactions in the return form, taking a corporation which business year ends in December as an example.

Example

Details of the taxable sales, etc. during the current taxable period of Nishiki Company Limited (from January 1, 2015 to December 31, 2015) are as follows. There were no transactions to which the old tax rates (3% or 4%) were applied.

	(In yen)
1. Sales during the taxable period	
(1) Taxable sales (tax included)	294,000,000
(2) Tax-exempt sales	11,000,000
(3) Non-taxable sales	24,000,000
2. Amount of taxable purchases during taxable period (tax included)	222,400,000
(Breakdown) Amount required only for taxable sales	166,600,000
Amount required only for non-taxable sales	11,560,000
Amount required for both taxable sales and Non-taxable sales	44,240,000
3. Amount of “provision of B2B electronic services” received (specified taxable purchases) during taxable period	2,800,000
(Breakdown) Amount required for both taxable sales and Non-taxable sales	2,800,000
4. Interim consumption tax payment	2,700,000
5. Interim local consumption tax payment	728,500

II Preparation of Appended Table [Breakdown statement of tax base amount, etc. of business posting specific taxable purchases]

Where there are specified taxable purchases (i.e. “provision of B2B electronic services” is received), the amount of value of payment for specified taxable purchases is the tax base. Therefore, aggregate the taxable purchases during the taxable period for each type of the amount of specified taxable purchases and the amount other than specified taxable purchases. (Where the accounting method to directly subtract the amount of value of refunds, etc. for taxable purchases from the amount of purchases is used, it is required to subtract for each type of taxable purchases relating to specified taxable purchases and taxable purchases other than specified taxable purchases.)

- 1 “Amount of the transfer value of taxable assets, etc. ②” column under “Breakdown of tax base” in the Appended Table

Enter the amount calculated by multiplying taxable sales (tax included) by $\frac{100}{108}$.

$$¥294,000,000 \text{ (taxable sales (tax included))} \times \frac{100}{108} = ¥272,222,222$$

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for sales from the amount of sales, the amount calculated by multiplying the amount after subtraction by $\frac{100}{108}$ is to be entered in the column ②.

- 2 “Amount of value of payment for specified taxable purchases ③” column under “Breakdown of tax base” in the Appended Table.

Enter the amount of value of payment for specified taxable purchases.

In this example, enter ¥2,800,000 as the amount of specified taxable purchases.

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for specified taxable purchases from the amount of specified taxable purchases is used, enter the amount after subtraction in column ③.

■3 “Tax base ①” column in the Appended Table

Enter the amount calculated by adding the amounts in columns ② and ③ and rounding down the amount to the nearest thousand yen.

$¥272,222,222 + ¥2,800,000 = ¥275,022,222 \rightarrow ¥275,022,000$ (rounded down to the nearest thousand yen)

■4 “Amount of tax on value of refunds, etc. for sales ⑤” column and “Amount of tax on value of refunds, etc. for specified taxable purchases ⑥” column under “Breakdown of the amount of tax on value of refunds, etc.” in the Appended Table

When there is an amount of value of refunds, etc. for taxable sales, enter the amount of tax included therein in “Amount of tax on value of refunds, etc. for sales ⑤” column. Similarly, when there is an amount of value of refunds, etc. for specified taxable purchases, enter the amount of tax included therein in “Amount of tax on value of refunds, etc. for specified taxable purchases ⑥” column.

Note: Where the accounting method to directly subtract the amounts of value of refunds, etc. for sales or for specified taxable purchases from the amounts of sales or specified taxable purchases respectively, no entry is necessary in these columns.

■5 “Amount of tax on value of refunds, etc. ④” column in the Appended Table

Enter the total of amounts in columns ⑤ and ⑥.

■6 “Breakdown of ② and ③” column in the Appended Table

Enter the amount of value of payment for specified taxable purchases. Also enter the amount of the transfer value of taxable assets etc., in the columns corresponding to applicable type of “Amount levied 3%,” “Amount levied 4%” or “Amount levied 6.3%.” Furthermore, enter the total amount for each type in “Total” column.

III Preparation of “Consumption and local consumption taxes return form (General Form)”

Entries in “Calculation of the amount of consumption tax for this return form” column

Once the separate “Appended Table of tax base, etc. where there are specified taxable purchases” is completed, transfer the following items required in the return form and go back to the calculation of the rest of the items.

Items in initial columns before transferring the amounts to different columns	Columns to which items should be transferred
Amount in column ① in the Appended Table	Column ① in the form
Amount in column ④ in the Appended Table	Column ⑤ in the form

■1 “Consumption tax ②” column

Calculate the consumption tax by multiplying the amount in “Tax base ①” column by 6.3%.

$¥275,022,000$ (tax base) $\times 6.3\% = ¥17,326,386$

■2 “Tax adjustment for excess deduction ③” column and “Deductible tax on purchases ④” column

Prepare **Schedule 2** now as the figures in these columns should be transferred from Schedule 2.

❖ Preparation of “Schedule 2”

(1) “Taxable sales (tax excluded) ①” column

Taxable sales (tax included)

$$¥294,000,000 \times \frac{100}{108} = ¥272,222,222$$

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for sales from the amount of sales is used, the amount calculated by multiplying the amount after subtraction by $\frac{100}{108}$ is to be entered in the column ①.

(2) “Tax-exempt sales ②” column

Enter the portion of the amount of the transfer value of taxable assets, etc., that is exempted from consumption tax under the provisions of Articles 7 and 8 of Consumption Tax Act as well as Act on Special Measures concerning Taxation, etc.

In this example, enter ¥11,000,000 as Tax-exempt sales.

Note: The amount relating to export transactions, etc., including the export of assets that would be Non-taxable sales if transferred within Japan or the export of assets for its own use or a transfer outside Japan, is treated as the amount of Tax-exempt sales in the calculation of taxable sales ratio. Therefore, enter such amount in “Exports of Non-taxable assets, etc. and the amount of value of assets transferred to overseas branches, etc. ③” column.

(3) “Non-taxable sales ⑥” column

Enter the portion of the amount of the transfer value of Non-taxable assets, etc., that should be added to the denominator of taxable sales ratio, in the column ⑥.

In this example, enter ¥24,000,000 as Non-taxable sales..

Note: Please note that, in some cases, an adjustment to the amount that should be added to the denominator of taxable sales ratio may be necessary. For example, where certain securities such as shares are transferred or where loans, deposits, accounts receivable and other monetary receivables (excluding those acquired as the transfer value of assets, etc.) are transferred, the amount equivalent to 5% of the transfer value may be used as the amount that should be added to the denominator of taxable sales ratio.

(4) “Taxable sales ratio (④/⑦)” column

$$\begin{aligned} & \frac{¥272,222,222 \text{ (taxable sales (tax excluded))} + ¥11,000,000 \text{ (Tax-exempt sales)}}{¥272,222,222 \text{ (taxable sales (tax excluded))} + ¥11,000,000 \text{ (Tax-exempt sales)} + ¥24,000,000 \text{ (Non-taxable sales)}} \\ &= \frac{¥283,222,222 \text{ (column ④)}}{¥307,222,222 \text{ (column ⑦)}} = 92.188\ldots\% < 95\% \end{aligned}$$

Note 1: While taxable sales ratio is usually not rounded, it is permitted to round off to any decimal place.

Note 2: It is not required to take into account the amount relating to specified taxable purchases, which would be the tax base, in the calculation of taxable sales ratio. Similarly, it is not required for a domestic business to take into account the amount relating to the “provision of B2B electronic services” in such calculation.

(5) “Amount of value of payment for taxable purchases ⑧” column

Enter the amount of value of payment for taxable purchases during the taxable period, after subtracting the amount of value of refunds, etc. for taxable purchases. If it is not possible to subtract all the amount, please consult the Tax Office.

In this example, enter ¥222,400,000 as the amount of taxable purchases (tax included).

Note 1: Of taxable purchases made within Japan, with regard to the “provision of electronic services” other than the “provision of B2B electronic services” received from a foreign business, please note that only the portion received from the “Registered foreign business” is regarded as deductible tax on purchases.

Note 2: Where the accounting method to directly subtract the amount of value of refunds, etc. for taxable purchases from the amount of purchases is used, enter the amount after subtraction (tax included).

(6) “Consumption tax on taxable purchases ⑨” column

Enter the amount calculated using the following formula.

Amount of value of payment for taxable purchases (tax-inclusive amount before deducting the amount of value of refunds, etc. for purchases)

$$\times \frac{6.3}{108}$$

Amount of value of refunds, etc. for purchases (tax included)

$$\times \frac{6.3}{108}$$

Consumption tax on taxable purchases

(In this example)

Amount of taxable purchases (tax included)

$$¥222,400,000 \times \frac{6.3}{108} = ¥12,973,333$$

Note 1: When there is an amount of consumption tax levied, or an amount of any that should be levied, on taxable freight retrieved from bonded areas, enter the amount in “Consumption tax on taxable freight ⑫” column. When there is an amount of refunds, relating to consumption tax on taxable freight, enter the balance after deducting such portion.

Note 2: When a Tax-exempt business becomes a Taxable Person or the other way round, it is necessary to adjust the amount of tax on taxable purchases, etc. for inventory. In this case, enter the portion of the amount of tax on taxable purchases, etc. for inventory, that should be added or subtracted, in “Consumption tax adjustment (addition or subtraction) if you have been granted or have lost tax liability exemption status ⑬” column.

(7) “Amount of value of payment for specified taxable purchases ⑩” column

Enter the amount of value of payment for specified taxable purchases during the taxable period, after deducting the amount of value of refunds, etc. for specified taxable purchases. If it is not possible to deduct all the amount, please consult the Tax Office.

In this example, enter ¥2,800,000 as the amount of specified taxable purchases.

Note: Where the accounting method to directly subtract the amount of value of refunds, etc. for specified taxable purchases from the amount of specified taxable purchases is used, enter the amount after subtraction.

(8) “Consumption tax on specified taxable purchases ⑪” column

Enter the amount calculated using the following formula.

Amount of value of payment for specified taxable purchases (tax-inclusive amount before deducting the amount of value of refunds, etc. for specified taxable purchases)

$$\times \frac{6.3}{100}$$

Amount of value of refunds, etc. for specified taxable purchases

$$\times \frac{6.3}{100}$$

Consumption tax on specified taxable purchases

(In this example)

$$¥2,800,000 \times \frac{6.3}{100} = ¥176,400$$

(9) “Taxable sales are 500 million yen or less and the taxable sales ratio is 95% or more ⑮” column and “Taxable sales are over 500 million yen or the taxable sales ratio is under 95% ⑯ to ⑲” column

In this example, as the taxable sales ratio during the taxable period is 92.188...%, calculate the deductible tax using itemized method or proportional method. In this example, itemized method is selected.

(A) “Portion of ⑭ that is required only for taxable sales ⑯” column

Portion of taxable purchases that is required only for taxable sales

$$¥166,600,000 \times \frac{6.3}{108} = ¥9,718,333$$

(B) “Portion of ⑭ that is required for both taxable and Non-taxable sales ⑰” column

Portion of taxable purchases that is required for both

$$¥44,240,000 \times \frac{6.3}{108} = ¥2,580,666$$

Portion of specified taxable purchases that is required for both

$$¥2,800,000 \times \frac{6.3}{100} = ¥176,400$$

$$¥2,580,666 + ¥176,400 = ¥2,757,066$$

(C) “Amount of tax on taxable purchases, etc. that is deducted by itemized method ⑱” column

$$¥9,718,333 + (¥2,757,066 \times \frac{¥283,222,222 \text{ (column ④)}}{¥307,222,222 \text{ (column ⑦)}} = ¥12,260,018$$

(10) “Deduction/Amount of deductible tax on purchases ②②” column

Calculate the amount of deductible tax on purchases using the presented formula.

Note: If the result of calculation using the formula in column ②② is negative, enter the amount in “Deduction/Tax adjustment for excess deductions ②③” column.

(11) “Amount of consumption tax relating to recovered bad debt ②④” column

If you have recovered bad debt that was previously deducted during or by the preceding taxable period, enter the consumption tax included in the recovered bad debt.

Once Schedule 2 is completed, transfer the following items required in the return form and go back to the calculation of the rest of the items.

Items in initial columns before transferring the amounts to different columns		Columns to which items should be transferred
Amount in column ④ in Schedule 2	→	Column ①⑤ in the form
Amount in column ⑦ in Schedule 2	→	Column ①⑥ in the form
Amount in column ②② in Schedule 2	→	Column ④ in the form
Amount in columns ②③ and ②④ in Schedule 2	→	Column ③ in the form

■3 “Balance ⑨” column or “Tax refundable for insufficient deduction ⑧” column

Calculate the balance or tax refundable for insufficient deduction of consumption tax using the presented formula.

■4 “Interim payments ⑩” column

When there is an amount of interim tax payment filed in an interim return, enter the total amount (in this example, ¥2,700,000).

Note: A corporation who received their return form by post from the Tax Office and had an amount of interim payment, that amount will be printed in the form. However, this is not the case if you filed an interim return every one month.

■5 “Amount of tax payable ⑪” column or “Refundable interim payments ⑫” column

Calculate the amount of tax payable or refundable interim payments using the presented formula.

Entries in “Calculation of the amount of local consumption tax for this return form”

Please refer to the same heading under III on page 7.

Entries in “Place for tax payment” and other columns

Please refer to the same heading under IV onward on page 7.

Please circle the “O” mark in “Submission of Appended table for Specific taxable purchase” column under “Reference items” column.

[illegible]

From Heisei

2	7
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**(FINAL) return form for
consumption and local
consumption taxes for the
taxable period**

To Heisei 27 12 31

Period subject to interim return

From Heisei

To Heisei

Calculation of the amount of consumption tax for this return form																		
Tax base		①	ten-trillion	one-trillion	hundred-billion	ten-billion	one-billion	hundred-million	ten-million	one-million	hundred-thousand	ten-thousand	one-thousand	hundred	ten	one	yen	
Consumption tax		②							2	7	5	0	2	2	0	0	0	03
Tax adjustment for excess deduction		③																07
Deductible tax	Deductible tax on purchases	④							1	2	2	6	0	0	1	8		09
	Tax relating to value of refunds, etc.	⑤																10
	Tax relating to bad debt	⑥																13
	Subtotal of deductible tax (④ + ⑤ + ⑥)	⑦							1	2	2	6	0	0	1	8		15
Tax refundable for insufficient deduction (⑦ - ② - ③)		⑧																16
Balance (② + ③ - ⑦)		⑨								5	0	6	6	3	0	0		17
Interim payments		⑩								2	7	0	0	0	0	0		18
Amount of tax payable (⑨ - ⑩)		⑪								2	3	6	6	3	0	0		19
Refundable interim payments (⑩ - ⑨)		⑫													0	0		20
If this is an amended return	Previously determined amount of tax	⑬																21
	Balance of tax payable	⑭													0	0		22
Taxable sales ratio	Amount of the transfer value of taxable assets, etc.	⑮							2	8	3	2	2	2	2	2		23
	Amount of the transfer value of assets, etc.	⑯							3	0	7	2	2	2	2	2		24

Calculation of the amount of local consumption tax for this return form																		
Consumption tax as local consumption tax base		Tax refundable for insufficient deduction	⑰														yen	
		Balance	⑱								5	0	6	6	3	0	0	51
Transferable amount	Amount refundable	⑲																52
	Amount of tax payable	⑳									1	3	6	7	0	0	0	53
Transferable interim payments		㉑										7	2	8	5	0	0	54
Transferable tax payable (㉑ - ㉒)		㉒										6	3	8	5	0	0	55
Transferable interim payments refundable (㉒ - ㉓)		㉓													0	0		56
If this is an amended return	Transferable amount for previously determined tax	㉔																57
	Transferable amount for balance of tax payable	㉕													0	0		58
Total of consumption and local consumption taxes (payable or refundable)			㉖								3	0	0	4	8	0	0	60

Supplemental items	Applying the installment basis		<input type="checkbox"/>	Y	<input type="checkbox"/>	N	31
	Applying the deferred payment basis, etc.		<input type="checkbox"/>	Y	<input type="checkbox"/>	N	32
	Applying the percentage of completion method		<input type="checkbox"/>	Y	<input type="checkbox"/>	N	33
	Applying the cash basis accounting		<input type="checkbox"/>	Y	<input type="checkbox"/>	N	34
Reference items	Applying a special method for calculating consumption tax on the tax base		<input type="checkbox"/>	Y	<input type="checkbox"/>	N	35
	Tax deduction calculation method	Taxable sales are over 500 million yen or taxable sales ratio is less than 95%		<input type="checkbox"/>	Itemized method		41
				<input type="checkbox"/>	Proportional method		
		Neither of the above is applicable		<input type="checkbox"/>	Total deductions		
	Submission of Appended table for Specific taxable purchase		<input type="checkbox"/>	Taxable sales for the base period		260,000 thousand yen	
Breakdown of ① and ②	Type	Tax base		Consumption tax			
	Amount levied 3%	thousand yen		yen			
	Amount levied 4%	thousand yen		yen			
	Amount levied 6.3%	275,022 thousand yen		17,326,386 yen			
Breakdown of ③ or ④	Type	Consumption tax representing the local consumption tax base					
	Amount levied 4%	yen					
	Amount levied 6.3%	5,066,300 yen					
Financial institution, etc. for refund collection	Bank Credit union Coop		Head office Branch				
	Deposit	Account No.					
	The code and number of the account of Japan Post Bank		—				
	The name of post office, etc.						
* For official use only							
Name and signature of tax accountant		Telephone number					
<input type="checkbox"/>	Documents required under Article 30 of Certified Public Tax Accountant Law is submitted together						
<input type="checkbox"/>	Documents required under Article 33-2 of Certified Public Tax Accountant Law is submitted together						

$\textcircled{26} = (\textcircled{11} + \textcircled{22}) - (\textcircled{8} + \textcircled{12} + \textcircled{19} + \textcircled{23})$ /For an amended return: $\textcircled{26} = \textcircled{14} + \textcircled{25}$
If $\textcircled{26}$ is refundable, enter a minus (-) mark.

Appended Table

[Breakdown statement of tax base amount, etc. of business posting specific taxable purchases]

Place for tax payment	x-x Kanda-nishikicho, Chiyoda-ku Telephone number 03 - 0000 - 0000
Business or shop name	Nishiki Company Limited
Owner's name or your name	Taro Nishiki

From Heisei 27 1 1 (FINAL) return form for consumption and local consumption taxes for the taxable period
To Heisei 27 12 31

Period subject to interim return From Heisei 00 00 00 To Heisei 00 00 00

Tax base	Tax base (To column ① in the form)		①	ten-million one-million hundred-billion ten-billion one-billion hundred-million ten-million one-million hundred-thousand ten-thousand one-thousand hundred ten one yen
	Breakdown of tax base	Amount of the transfer value of taxable assets, etc.	②	272222222
		Amount of value of payment for specified taxable purchases	③	28000000
Deductible tax	Amount of tax on value of refunds, etc. (To column ⑤ in the form)		④	
	Breakdown of the amount of tax on value of refunds, etc.	Amount of tax on value of refunds, etc. for sales	⑤	
		Amount of tax on value of refunds, etc. for specified taxable purchases	⑥	

Breakdown of ② and ③		Type	Amount levied 3%	Amount levied 4%	Amount levied 6.3%	
Tax base		Amount of the transfer value of taxable assets, etc.	0 yen	0 yen	272,222,222 yen	
		Amount of value of payment for specified taxable purchases			2,800,000 yen	
		Total	0 thousand yen	0 thousand yen	275,022 thousand yen	

Schedule 2 - Table for calculating taxable sales ratio and deductible tax on purchases, etc.

General
Form

		Taxable period	27.1.1 ~ 27.12.31	Name or shop name	Nishiki Company Limited
Item				Amount	
		Taxable sales (tax excluded)	①	272,222,222	yen
		Tax-exempt sales	②	11,000,000	
		Exports of non-taxable assets, etc. and the amount of the value of assets transferred to overseas branches, etc.	③		
		Amount of the transfer value of taxable assets, etc. (① + ② + ③)	④	283,222,222	* To column ⑮ in the form
		Amount of the transfer value of taxable assets, etc. (④)	⑤	283,222,222	
		Non-taxable sales	⑥	24,000,000	
		Amount of the transfer value of assets, etc. (⑤ + ⑥)	⑦	307,222,222	* To column ⑮ in the form
Taxable sales ratio (④/⑦)				[92.18 %]	* Round down
		Amount of value of payment for taxable purchases (tax included)	⑧	222,400,000	
		Consumption tax on taxable purchases (⑧ × 6.3/108)	⑨	12,973,333	
		Amount of value of payment for specified taxable purchases	⑩	2,800,000	* To be filled in only by a business whose taxable sales ratio is less than 95% and who has the specified taxable purchases
		Consumption tax on specified taxable purchases (⑩ × 6.3/100)	⑪	176,400	
		Consumption tax on taxable freight	⑫		
		Consumption tax adjustment (addition or subtraction) if you have been granted or have lost tax liability exemption status	⑬		
		Total amount of tax on taxable purchases, etc. (⑨ + ⑪ + ⑫ ± ⑬)	⑭	13,149,733	
Taxable sales are 500 million yen or less and taxable sales ratio is 95% or more				⑮	
Taxable sales are over 500 million yen or taxable sales ratio is less than 95%	Itemized method	Portion of ⑭ that is required only for taxable sales	⑯	9,718,333	
		Portion of ⑭ that is required for both taxable and non-taxable sales	⑰	2,757,066	
		Amount of tax on taxable purchases, etc. that is deducted by itemized method [(⑯ + (⑰ × ④/⑦))]	⑱	12,260,018	
		Amount of tax on taxable purchases, etc. that is deducted by proportional method (⑭ × ④/⑦)	⑲		
Tax adjustment for the amount of deduction	Amount of consumption tax adjustment (addition or subtraction) for fixed assets subject to adjustment where there is a change in the taxable sales ratio		⑳		
	Amount of adjustment (addition or subtraction) when diverting fixed assets subject to adjustment for the use in taxable (non-taxable) operation		㉑		
Deduction	If the amount of deductible tax on purchases [(amount of ⑱, ⑲ or ⑲) ± ㉑ ± ㉑] is positive		㉒	12,260,018	* To column ④ in the form
	If tax adjustment for excess deductions [(amount of ⑱, ⑲ or ⑲) ± ㉑ ± ㉑] is negative		㉓		* To column ③ in the form
Amount of consumption tax relating to recovered bad debt				㉔	* To column ③ in the form