

General form

2019

Consumption and Local Consumption Taxes Final Return Guide

For Sole proprietors

- For Sole proprietors who are Taxable person under the Consumption Tax Law, this guide describes the final return (General Form) preparation process for consumption and local consumption taxes.
- This guide only explains general matters.
Please inquire at your nearest Tax office on complicated case or for further details.
- The deadline for filing the 2019 consumption and local consumption taxes return is **Tuesday, March 31, 2020.**
- The deadline for payment of 2019 consumption and local consumption taxes is **Tuesday, March 31, 2020.**
The date for 2019 consumption and local consumption taxes automatic transfers is **Thursday, April 23, 2020.**

Basic knowledge

Preparation

Procedures

Completing your return

Calculation

Local consumption tax calculation

Enter the value in the return form (Page 1 and Page 2)

Other items

Filing and paying

Income tax adjustment

Rough draft return form

The reduced tax rate system for the consumption tax has been implemented on October 1, 2019.

- The rate of consumption tax related to filing tax return for consumption and local consumption taxes for 2019 is as follows.

Classification	Applicable period	Until September 30, 2019 (Hereinafter referred to as the "former tax rate")	From October 1, 2019	
			Standard tax rate	Reduced tax rate
Consumption tax rate		6.3%	7.8%	6.24%
Local consumption tax rate		1.7% (17/63 of the consumption tax rate)	2.2% (22/78 of the consumption tax rate)	1.76% (22/78 of the consumption tax rate)
Tax rate		8.0%	10.0%	8.0%

(Note) Although the reduced tax rate of consumption tax will remain at 8%, unchanged from the rate that is effective until September 30, 2019, the breakdown of the consumption tax rate (from 6.3% to 6.24%) and the local consumption tax rate (from 1.7% to 1.76%) is changed.

- When filing final tax returns for national and local consumption taxes for 2019, it is required to prepare tax returns based on account books, etc. (separate accounting) in which taxable transactions are classified into ones for the former tax rate and others for the new tax rate (the standard tax rate and the reduced tax rate). For details, please refer to page 5 of the guide.
※ Please note that even transactions that will take place on and after October 1, 2019, may be subject to the former tax rate due to a transitional measure.
- For further details, please access "About the reduced tax rate system for the consumption tax," a dedicated website of the National Tax Agency (www.nta.go.jp) for the reduced tax rate system.
The dedicated website contains various brochures and Q&A on the reduced tax rate system, and others.
- For consultation on the reduced tax rate system, please dial the special telephone number, etc. (refer to page 50).



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How this guide is organized

1 Basic knowledge	P3	Explains basic knowledge pertaining to the consumption and local consumption taxes final return
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3 Final return procedures	P8	Explains the procedures from basic calculation methods to making your payment
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5 Local consumption tax calculation	P25	Demonstrates how to calculate consumption and local consumption taxes
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7 Other items	P32	Explains how to fill in the sections in the return form other than tax calculations
8 Filing and paying	P35	Explains how to submit your return form and how pay your consumption taxes
9 Income tax adjustment	P37	Explains how to adjust your income tax after calculating your amount of consumption and local consumption taxes payable or refundable
10 Rough draft return form, etc.	P38	Contains specimens of forms you need to submit. Please use them as rough drafts
○ Table for determining taxability of consumption tax transactions	P47	Contains a table that explains how to determine the taxability of each business activity described in the blue return financial statement and other forms
○ Concerning the Reverse charge mechanism	P48	Explains the case declaration is required due to the Reverse charge mechanism
○ Special exception for small and medium business entities	P49	Explains a special exception for calculating the sales tax amount or purchase tax amount for Small and medium business entities that have difficulty in classifying sales or purchases into the reduced tax rate and the standard tax rate.
○ Contact of the reduced tax rate system	P50	Contains contact of the reduced tax rate system
○ Application (notification of change) for tax payment by transfer account	P52	Contains application (notification of change) for tax payment by transfer account

Cautionary items when filling in the return form

The OCR (Optical Character Recognition) input final return form is machine-readable. Note the following cautions when entering numbers in your form.

- Do not soil or perforate the return form
- Use a black, ballpoint pen
- Enter large, clear figures in the prescribed boxes

Good example

Bad example