

Consumption tax calculation

Refer to the example below when calculating your consumption tax.

step.1 Arrange the details of your taxable transactions

Calculate the total amount of sales (exclude consumption and local consumption taxes) relating to taxable transactions effectuated during the taxable period (January 1st to December 31st, 2021).

Use the table for calculating taxable transactions (Table A). (P37)

- step.1-1** Enter the amounts by tax rate from ledgers, etc.(separate accounting) to column A of the table for calculating taxable transactions(Table A).
- step.1-2** Enter the portion of the amounts in column A that is not related to taxable transactions in column B.
- step.1-3** Calculate the amounts in column A that represent taxable transactions (amount of taxable transactions; the difference between the values in A and B) and enter the result in column C.
- step.1-4** Enter the 6.24% tax rate applicable in column D, and the 7.8% tax rate applicable in column E from column C.

Use the information appearing in the table for determining the taxability of consumption tax transactions on P44, which provides a standard for determining whether or not a certain business is taxable.

In the case of income derived from agriculture or real estate, arrange the details of your taxable transactions using the table for calculating taxable transactions for each source.

Example: Kouno Store

The following is an example of how to complete the Consumption and local consumption taxes final return form.

Kouno Store is business that sells merchandise retail.

- Its income for 2021 was limited to business income derived from retail sales and the sale of fixed business assets (capital gains).
- Its taxable sales for 2019, its base period, was ¥19,951,456.
- Its entries pertaining to consumption and local consumption taxes were effectuated using the "tax included accounting method".
- It was a Tax-exempt business in 2020.
- The following(P15) represents the results taken from ledgers, etc.(separate accounting) entered in the table for calculating taxable transaction.

The following are special mentions concerning consumption and local consumption taxes.

- ¥350,000 worth of sales from beer coupons (Non-taxable transaction) is included in its total sales (revenue) of ¥22,730,000. Of the sales amount ¥22,380,000, the taxable transactions, tax rate 6.24% applicable amount is ¥13,110,000, tax rate 7.8% applicable amount is ¥9,270,000.
- Its initial inventory which is all from taxable transaction (7.8% tax rate applicable) was purchased when it was a Tax-exempt business.
- The purchase of ¥320,000 of beer coupons (Non-taxable transaction) is included in the amount of purchases of ¥14,920,000. Of the purchases amount ¥14,600,000, the taxable transactions, tax rate 6.24% applicable amount is ¥8,700,000, tax rate 7.8% applicable amount is ¥5,900,000.
- The following expenses are those relating to all taxable transactions, breakdown the amount of each applicable tax rate is as follows.

Subject	Total	6.24% tax rate applicable	7.8% tax rate applicable
Utilities	¥105,000	¥0	¥105,000
Travel expenses	¥69,000	¥0	¥69,000
Communication costs	¥167,000	¥0	¥167,000
Advertising expense	¥96,000	¥0	¥96,000
Entertainment fee	¥76,000	¥16,000	¥60,000
Repair costs	¥121,000	¥0	¥121,000
Supplies expense	¥201,000	¥0	¥201,000
Miscellaneous Expenses	¥48,000	¥20,000	¥28,000

- Welfare expenses such as for worker's compensation and unemployment insurance of ¥81,000 are all covered by the employer.
- Employee commuting expenses of ¥33,000 are included in the ¥1,233,000 salary expenses.
- Land and house rents of ¥120,000 are all land rent (Non-taxable transaction).
- Other items include refurbishing costs, ¥600,000 for shutters and ¥310,000 for display shelves.
- A delivery vehicle was sold for ¥280,000.
- There are returns, discounts and rebates relating to sales and purchases, however, the accounting method used directly deducted these amounts from the sales amount or purchases amount.

Example of Table A: Kouno Store

Table A					
課税取引金額計算表					
(令和3年分)					
科目	決算額 A	Aのうち課税取引 にならないもの (※1)		Bのうち課税取引 にならないもの (※1)	
		課税取引金額 (A-B) C	うち軽減税率 6.24%適用分 D	うち標準税率 7.8%適用分 E	
売上(収入)金額 (雑収入を含む) ①	22,730,000	350,000	22,380,000	13,110,000	9,270,000
期首商品棚卸高 ②	1,741,000				
売上仕入金額 ③	14,920,000	320,000	14,600,000	8,700,000	5,900,000
売上小計 ④	16,661,000				
期末商品棚卸高 ⑤	1,792,000				
差引原価 ⑥	14,869,000				
差引金額 ⑦	7,861,000				
租税公課 ⑧	180,000	180,000	0	0	0
荷造運賃 ⑨					
水道光熱費 ⑩	105,000		105,000		105,000
旅費交通費 ⑪	69,000	0	69,000		69,000
通信費 ⑫	167,000	0	167,000	0	167,000
広告宣伝費 ⑬	96,000	0	96,000	0	96,000
接待交際費 ⑭	76,000	0	76,000	16,000	60,000
損害保険料 ⑮	105,000	105,000			
修繕費 ⑯	121,000		121,000		121,000
消耗品費 ⑰	201,000		201,000	0	201,000
減価償却費 ⑱	472,064	472,064			
福利厚生費 ⑲	81,000	81,000	0	0	0
給料賃金 ⑳	1,233,000	1,200,000	33,000		33,000
外注工賃 ㉑					
利子割引料 ㉒	107,000	107,000			
地代家賃 ㉓	120,000	120,000	0		0
貸倒金 ㉔					
雑費 ㉕	48,000	0	48,000	20,000	28,000
計 ㉖	3,181,064	2,265,064	916,000	36,000	880,000
差引金額 ㉗	4,679,936				
③+㉖	18,101,064		15,516,000	8,736,000	6,780,000

※1 ⑮欄には、非課税取引、輸出取引等、不課税取引を記入します。
また、売上原価・経費に特定課税仕入れに係る支払対価の額が含まれている場合には、その金額も⑮欄に記入します。
※2 斜線がある欄は、一般的な取引において該当しない項目です。

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step.2 Calculate your total amount of taxable sales

Use the table for calculating taxable sales (Table B)(P38).

step.2-1

Enter the values appearing in ①(column C to E) of the table for calculating taxable transactions (for business income; Table A).

→ Enter them in ① of Table B, respectively.

step.2-2

Enter the values appearing in ④(column C to E) of the table for calculating taxable transactions (for agriculture income).

→ Enter them in ② of Table B, respectively.

step.2-3

Enter the values appearing in ④(column C to E) of the table for calculating taxable transactions (for real estate income).

→ Enter them in ③ of Table B, respectively.

step.2-4

If there are taxable sales relating to other sources of income, enter the amount of revenue and the portion of that amount excluded from taxable sales and then calculate the difference.

→ Use ④ to ⑥ of Table B.

step.2-5

If there are taxable sales relating to income derived from the transfer of fixed business assets enter the amount of capital gains and the portion of that amount excluded from taxable sales and then calculate the difference.

→ Use ⑦ to ⑨ of Table B.

step.2-6

Calculate your total taxable sales.

→ Use ⑩ of Table B.

Example of Table B: Kouno Store

step.2-1

Enter ¥ 22,380,000 (Table A, column C, ①) in ① of Table B.

Enter ¥ 13,110,000 (Table A, column D, ①) in ①(6.24% tax rate applicable) of Table B.

Enter ¥ 9,270,000 (Table A, column E, ①) in ①(7.8% tax rate applicable) of Table B.

step.2-5

The sale of a delivery vehicle is treated as a transfer of a fixed business asset.

The balance of taxable sales is obtained as follows.

$$¥ 280,000 - ¥ 0 = ¥ 280,000$$

Enter ¥ 280,000 in ⑦ and ⑨ of Table B.

Enter ¥ 280,000 in ⑦ and ⑨(7.8% tax rate applicable) of Table B.

step.2-6

The total amount of taxable sales is obtained as follows.

$$¥ 22,380,000 + ¥ 280,000 = ¥ 22,660,000$$

6.24% tax rate applicable ¥ 13,110,000

7.8% tax rate applicable

$$¥ 9,270,000 + ¥ 280,000 = ¥ 9,550,000$$

step.3 Calculate your tax base

step.3-1

Multiply the total amount of taxable sales (Table B, ⑩) by 100/108 or 100/110, calculate the total sales relating to taxable transactions and enter them in ①-1 of Schedule 1-3, respectively.

- * If using the "tax excluded accounting method(P36)", calculate your tax base by adding the amount of temporary received consumption tax, etc. relating to taxable sales to your total amount of taxable sales and multiplying the resulting figure by 100/108 or 100/110.

6.24% tax rate applicable

$$\text{Taxable sales (tax included)} \times \frac{100}{108} = \text{①-1A Tax base}$$

7.8% tax rate applicable

$$\text{Taxable sales (tax included)} \times \frac{100}{110} = \text{①-1B Tax base}$$

step.3-2

Enter the calculation result for step 3-1 in ① of Schedule 1-3 rounding the figure down to the nearest ¥1,000.

Example of Table B: Kouno Store

step.3-1

⑪ of Table B is obtained as follows.

$$¥13,110,000 \times \frac{100}{108} = ¥12,138,888$$

(Enter in ①-1(column A) of Schedule 1-3)

⑫ of Table B is obtained as follows.

$$¥9,550,000 \times \frac{100}{110} = ¥8,681,818$$

(Enter in ①-1(column B) of Schedule 1-3)

Total amount is obtained as follows.

$$¥12,138,888 + ¥8,681,818 = ¥20,820,706$$

(Enter in ①-1(column C) of Schedule 1-3)

step.3-2

Round down the figure(step 3-1) to the nearest ¥1,000 to obtain the tax base.

Enter in ① of Schedule 1-3.

$$¥12,138,888 \Rightarrow ¥12,138,000$$

(Enter in ①(column A) of Schedule 1-3)

$$¥8,681,818 \Rightarrow ¥8,681,000$$

(Enter in ①(column B) of Schedule 1-3)

Total amount of tax base is obtained as follows.

$$¥12,138,000 + ¥8,681,000 = ¥20,819,000$$

(Enter in ①(column C) of Schedule 1-3)

The table for calculating taxable sales for Kouno Store is as follows.

Table B			
課税売上高計算表			
(令和 3 年分)			
	金額	うち軽減税率 6.24%適用分	うち標準税率 7.8%適用分
(1) 事業所得に係る課税売上高			
営業等課税売上高	① 22,380,000	13,110,000	9,270,000
農業課税売上高	②		
(2) 不動産所得に係る課税売上高	金額	うち軽減税率 6.24%適用分	うち標準税率 7.8%適用分
課税売上高	③		
(3) () 所得に係る課税売上高	金額	うち軽減税率 6.24%適用分	うち標準税率 7.8%適用分
損益計算書の収入金額	④		
④のうち、課税売上げにならないもの	⑤		
差引課税売上高(④-⑤)	⑥		
(4) 業務用資産の譲渡所得に係る課税売上高	金額	うち軽減税率 6.24%適用分	うち標準税率 7.8%適用分
業務用固定資産等の譲渡収入金額	⑦ 280,000		280,000
⑦のうち、課税売上げにならないもの	⑧		
差引課税売上高(⑦-⑧)	⑨ 280,000		280,000
(5) 課税売上高の合計額 (① + ② + ③ + ⑥ + ⑨)	⑩ 22,660,000	13,110,000	9,550,000
(6) 課税資産の譲渡等の対価の額の計算			
13,110,000 円 × 100/108	⑪	12,138,888	
⑪ 税抜経理方式による場合、軽減税率6.24%適用分額に課税売上げに係る仮受消費税等の金額を加算して計算します。			
9,550,000 円 × 100/110	⑫	8,681,818	
⑫ 税抜経理方式による場合、標準税率7.8%適用分額に課税売上げに係る仮受消費税等の金額を加算して計算します。			

step.2-1

step.2-2

step.2-3

step.2-4

step.2-5

step.2-6

step.3-1

step.4 Calculate your consumption tax

Calculate the amount of a consumption tax by multiplying the "① Tax base" of Schedule 1-3 by the consumption tax (national tax) rate of 6.24% or 7.8%. Enter the calculation result in ② of Schedule 1-3.

6.24% tax rate applicable

$$\text{① A Tax base} \times 6.24\% = \text{② A Consumption tax}$$

7.8% tax rate applicable

$$\text{① B Tax base} \times 7.8\% = \text{② B Consumption tax}$$

Example: Kouno store

The amount of consumption tax is obtained as follows.

6.24% tax rate applicable

$$\yen 12,138,000 \times 6.24\% = \yen 757,411$$

(Enter in ②(column A) of Schedule 1-3)

7.8% tax rate applicable

$$\yen 8,681,000 \times 7.8\% = \yen 677,118$$

(Enter in ②(column B) of Schedule 1-3)

Total amount of consumption tax is obtained as follows.

$$\yen 757,411 + \yen 677,118 = \yen 1,434,529$$

(Enter in ②(column C) of Schedule 1-3)

Example: Kouno store

To the following is an example of Schedule 1-3 filled in with results of calculations effectuated up to this point. Below is a review of those calculation results.

第4-(9)号様式

付表1-3 税率別消費税額計算表 兼 地方消費税の課税標準となる消費税額計算表

一般

課税期間		3・1・1 ~ 3・12・31		氏名又は名称	Taro Kouno
区	分	税率 6.24 % 適用分 A	税率 7.8 % 適用分 B	合計 C (A+B)	
課税標準額	①	12,138,000	8,681,000	20,819,000	step.3-2
① 課税資産の譲渡等の対価の額	①・1	12,138,888	8,681,818	20,820,706	
① 特定課税仕入れに係る支払対価の額	①・2				step.4
消費税額	②	757,411	677,118	1,434,529	

※①-2欄は、課税売上割合が95%未満かつ、特定課税仕入れがある事業者のみ記載する。

(付表2-3の②・④A欄の合計金額) (付表2-3の②・④B欄の合計金額) ※第一表の③欄へ

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step.5 Calculate your total taxable purchases

Use the table for calculating taxable purchases (Table C) (P39) for calculating the taxable purchases

step.5-1

Enter the values in the table for calculating taxable purchases (Table C) based on the figures appearing in the table for calculating taxable transactions (for business income; Table A, ③, column C to E)

→ Use ① of Table C.

step.5-2

Enter the amount appearing in the table for calculating taxable transactions (for agriculture income, ③, column C to E)

→ Use ② of Table C.

step.5-3

Enter the amount appearing in the table for calculating taxable transactions (for real estate income, ⑭, column C to E)

→ Use ③ of Table C.

step.5-4

If there are taxable purchases relating to other sources of income, enter the amount of purchases and the portion of that amount excluded from taxable purchases and then calculate the difference.

→ Use ④ to ⑥ of Table C.

step.5-5

If there are taxable purchases relating to the acquisition of fixed business assets, enter the acquisition cost and the portion of that amount excluded from taxable purchases and then calculate the difference.

→ Use ⑦ to ⑨ of Table C.

*When you apply for the provision for restriction on purchase tax credit pertaining to acquisition of residential rental building (P45), enter amount added acquisition costs for such residential rental building in the column ⑧ of [Table C].

step.5-6

Calculate your total taxable purchases.

→ Use ⑩ of Table C.

step.5-7

Calculate the consumption taxes on taxable purchases by multiplying your total amount of taxable purchases by 6.24/108 or 7.8/110.

→ Use ⑪ to ⑫ of Table C.

Example of Table C: Kouno Store

step.5-1

Enter ¥ 15,516,000 (Table A, column C, ③) in ① of Table C.

Enter ¥ 8,736,000 (Table A, column D, ③) in ① (6.24% tax rate applicable) of Table C.

Enter ¥ 6,780,000 (Table A, column E, ③) in ① (7.8% tax rate applicable) of Table C.

step.5-5

The cost for shutter and display shelves incurred when refurbishing the store is considered an acquisition of fixed business assets.

The balance of taxable purchases is obtained as follows.

$$¥ 910,000 - ¥ 0 = ¥ 910,000$$

Enter ¥ 910,000 in ⑦ and ⑨ of Table C.

Enter ¥ 910,000 in ⑦ and

⑨ (7.8% tax rate applicable) of Table C.

step.5-6

The total taxable purchases is obtained as follows.

$$¥ 15,516,000 + ¥ 910,000 = ¥ 16,426,000$$

Enter ¥ 16,426,000 in ⑩ of Table C.

6.24% tax rate applicable

$$¥ 8,736,000$$

7.8% tax rate applicable

$$¥ 6,780,000 + ¥ 910,000 = ¥ 7,690,000$$

step.5-7

⑪ and ⑫ of Table C are obtained as follows.

$$⑪: ¥ 8,736,000 \times \frac{6.24}{108} = ¥ 504,746$$

$$⑫: ¥ 7,690,000 \times \frac{7.8}{110} = ¥ 545,290$$

The table for calculating taxable purchases for Kouno Store is as follows.

課税仕入高計算表			
(令和 3 年分)			
	金額	うち軽減税率 6.24%適用分	うち標準税率 7.8%適用分
① 事業所得に係る課税仕入高			
営業等課税仕入高	① 15,516,000	8,736,000	6,780,000
農業課税仕入高	②		
② 不動産所得に係る課税仕入高			
課税仕入高	③		
③ () 所得に係る課税仕入高			
損益計算書の仕入金額と経費の金額の合計額	④		
④のうち、課税仕入れにならないもの	⑤		
差引課税仕入高(④-⑤)	⑥		
④ 業務用資産の取得に係る課税仕入高			
業務用固定資産等の取得費	⑦ 910,000		910,000
⑦のうち、課税仕入れにならないもの*	⑧		
差引課税仕入高(⑦-⑧)	⑨ 910,000		910,000
⑤ 課税仕入高の合計額 (① + ② + ③ + ⑥ + ⑨)	⑩ 16,426,000	8,736,000	7,690,000
⑥ 課税仕入れに係る消費税額の計算			
8,736,000	円 × 6.24/108	11月未満の額を切捨て) 付表2-3の⑩A欄へ	504,746
7,690,000	円 × 7.8/110	11月未満の額を切捨て) 付表2-3の⑩B欄へ	545,290

step.5-1
step.5-2

step.5-3

step.5-4

step.5-5

step.5-6

step.5-7

* ⑧欄は、課税仕入れにならないもの(減価償却、免税、不課税の仕入れ等)のほか、居住用賃貸建物の取得等に係る仕入税額控除の制限の適用を受ける場合は、当該居住用賃貸建物の取得費を合わせて記載します。

For calculation in steps 6 to 17, please use the table for calculating the taxable sales ratio and deductible tax on purchases (Schedule 2-3) (P41).

step.6 Calculate the amount of the transfer value of taxable assets, etc.

step.6-1

Enter your taxable sales, Tax-exempt sales, exports of Non-taxable assets, etc. in the table for calculating the taxable sales ratio and deductible tax on purchases (Schedule 2-3).

→ Enter the values in ① to ③ of Schedule 2-3.

step.6-2

Calculate the amount of the transfer value of taxable assets, etc. (sum of ① to ③ of Schedule 2-3).

→ Enter the calculation result in ④(column C) of Schedule 2-3.

step.7 Calculate the amount of the transfer value of assets, etc.

step.7-1

Enter the amount of the transfer value of taxable assets, etc. (step 6-2) and the Non-taxable portion of each type of income listed in Table B not considered taxable sales.

→ Enter the values in ⑤ to ⑥ of Schedule 2-3.

step.7-2

Calculate the amount of the transfer value of assets, etc. (sum of ⑤ and ⑥ of Schedule 2-3).

→ Use ⑦ of Schedule 2-3.

step.8 Calculate the taxable sales ratio

Divide the amount of the transfer value of taxable assets, etc. (taxable sales; step 6-2) by the amount of the transfer value of assets, etc. (total sales; step 7-2).

(Note) Fractions of taxable sales ratio are, in principle, not processed, but are allowed to be rounded down at any decimal point.

→ Use ⑧ of Schedule 2-3.

step.9 Calculate the consumption taxes on taxable purchases

Enter the total taxable purchases (tax included) calculated in Table C (Table C ⑩) for the amount of expenses (tax included) relating to taxable purchases and enter the value in ⑪ to ⑫ of Table C for the amount of consumption taxes on taxable purchases.

→ Enter the values in ⑨ to ⑩ of Schedule 2-3.

Example: Kouno store

step.6-1

Enter ¥ 12,138,888 (Table B, ⑪) in ①(column A) of Schedule 2-3.

Enter ¥ 8,681,818 (Table B, ⑫) in ①(column B) of Schedule 2-3.

Enter ¥ 20,820,706 in ①(column C) of Schedule 2-3.

step.6-2

The amount of the transfer value of taxable assets, etc. is obtained as follows.

$$¥ 20,820,706 + ¥ 0 + ¥ 0 = ¥ 20,820,706$$

step.7-1

Enter ¥ 20,820,706 (Schedule 2-3, ④(column C)) in ⑤(column C) of Schedule 2-3.

Enter ¥ 350,000 (Table A, ①(column B)) in ⑥(column C) of Schedule 2-3.

step.7-2

The amount of the transfer value of assets, etc. is obtained as follows.

$$¥ 20,820,706 \text{ (transfers of taxable assets)} + ¥ 350,000 \text{ (non-taxable sales)} = ¥ 21,170,706$$

step.8

The taxable sales ratio is obtained as follows.

$$¥ 20,820,706 \text{ (transfers of taxable assets)} \div ¥ 21,170,706 \text{ (transfers of assets)} \doteq 98.3 \%$$

step.9

Enter ¥ 8,736,000 (Table C, ⑩(6.24% tax rate applicable)) in ⑨(column A) of Schedule 2-3.

Enter ¥ 7,690,000 (Table C, ⑩(7.8% tax rate applicable)) in ⑨(column B) of Schedule 2-3.

Enter ¥ 504,746 (Table C, ⑪) in ⑩(column A) of Schedule 2-3.

Enter ¥ 545,290 (Table C, ⑫) in ⑩(column B) of Schedule 2-3.

Enter ¥ 16,426,000 (Sum of ⑨(column A) and ⑨(column B)) in ⑨(column C) of Schedule 2-3.

Enter ¥ 1,050,036 (Sum of ⑩(column A) and ⑩(column B)) in ⑩(column C) of Schedule 2-3.

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step.10 Calculate the consumption tax on Specific taxable purchases

Sole proprietors with a taxable sales ratio (step 8) under 95% and have received business-to-business electronic services needed to calculate.

step.11 Enter the amount of consumption tax relating to taxable freight

Enter the amount of consumption tax levied, or the amount of any that should be levied, on taxable freight retrieved from bonded areas.

* The amount of local consumption tax is excluded.

→ Enter the value in ⑬ of Schedule 2-3.

step.12 Calculate the consumption tax adjustment if you have been granted or have lost tax liability exemption status

It should be add when corresponding to A, and should be subtract when corresponding to B

A Amount of consumption tax adjustment if you were a Tax-exempt business in 2020 and became Taxable person in 2021

6.24% tax rate applicable

Expenses incurred for the acquisition of items relating to taxable purchases (6.24% tax rate applicable) for the portion of inventory held on December 31st, 2020 transferred in Japan within the taxable period during which you were Tax-exempt business $\times \frac{6.24}{108} =$ ⑭A Amount of consumption tax adjustment

→ Enter the value in ⑭(column A) of Schedule 2-3.

7.8% tax rate applicable

Expenses incurred for the acquisition of items relating to taxable purchases (7.8% tax rate applicable) for the portion of inventory held on December 31st, 2020 transferred in Japan within the taxable period during which you were Tax-exempt business $\times \frac{7.8}{110} =$ ⑭B Amount of consumption tax adjustment

→ Enter the value in ⑭(column B) of Schedule 2-3.

B Amount of consumption tax adjustment if you were a Taxable person in 2021 and became Tax-exempt business in 2022

6.24% tax rate applicable

Expenses incurred for the acquisition of items relating to taxable purchases (6.24% tax rate applicable) for the portion of inventory held on December 31st, 2021 transferred in Japan in 2021 $\times \frac{6.24}{108} =$ ⑭A Amount of consumption tax adjustment

→ Enter the value in ⑭(column A) of Schedule 2-3.

7.8% tax rate applicable

Expenses incurred for the acquisition of items relating to taxable purchases (7.8% tax rate applicable) for the portion of inventory held on December 31st, 2021 transferred in Japan in 2021 $\times \frac{7.8}{110} =$ ⑭B Amount of consumption tax adjustment

→ Enter the value in ⑭(column B) of Schedule 2-3.

Example: Kouno store

step.12

Calculate the consumption tax adjustment necessary in the event Kouno store became a taxable business newly in 2021 losing its tax liability exemption status.

The amount of consumption tax adjustment is obtained as follows.

$$\yen 1,741,000 \text{ (initial inventory)} \times \frac{7.8}{110} = \yen 123,452$$

step.13 Calculate the total amount of taxes on taxable purchases, etc.

Calculate the sum of the consumption taxes on taxable purchases (step 9), consumption taxes on Specific taxable purchases (step 10), the consumption tax relating to taxable freight (step 11), and the amount of consumption tax adjustment (step 12).

→ Use ⑮ of Schedule 2-3.

step.14 Calculate the deductible tax on purchases

→ Use ⑯ to ⑳ of Schedule 2-3.

- A** If taxable sales amounting to 500 million yen or less during the taxable period and the taxable sales ratio (step 8) is 95% or more, the total amount of taxes on taxable purchases, etc. is completely deducted.

Deduct the entire amount of consumption taxes on taxable purchases.

$$\text{Total amount of taxes on taxable purchases, etc.} = \text{Amount of deductible tax on purchases}$$

- B** If taxable sales amounting more than 500 million yen during the taxable period or the taxable sales ratio (step 8) is under 95%, calculate using either of the following methods.

<Itemized method>

This method is used to calculate the consumption taxes on taxable purchases by separating it into 3 classifications: the amount required only for taxable sales (including Tax-exempt sales), the amount required only for non-taxable sales and the amount required for both.

$$\text{Portion of the total amount of taxes on taxable purchases, etc. that is required only for taxable sales} + \left(\text{Portion of the total amount of taxes on taxable purchases, etc. that is required for both taxable and non-taxable sales} \times \text{Taxable sales ratio} \right) = \text{Amount of deductible tax on purchases}$$

<Proportional method>

This method is used to calculate the deductible tax on purchases by multiplying the consumption taxes on taxable purchases by the taxable sales ratio.

$$\text{Total amount of taxes on taxable purchases, etc.} \times \text{Taxable sales ratio} = \text{Amount of deductible tax on purchases}$$

* Business using the proportional method must have applied the method for 2 years or more consecutively to change to the itemized method.

Example: Kouno store

step.13

The total amount of taxes on taxable purchases, etc. is obtained as follows.

6.24% tax rate applicable

$$¥ 504,746 + ¥ 0 + ¥ 0 + ¥ 0 = ¥ 504,746$$

(Enter the value in ⑮(column A) of Schedule 2-3)

7.8% tax rate applicable

$$¥ 545,290 + ¥ 0 + ¥ 0 + ¥ 123,452 = ¥ 668,742$$

(Enter the value in ⑮(column B) of Schedule 2-3)

Total amount of taxes on taxable purchases, etc.

$$¥ 504,746 + ¥ 668,742 = ¥ 1,173,488$$

(Enter the value in ⑮(column C) of Schedule 2-3)

step.14

Taxable sales amounting to 500 million yen or less during the taxable period and the taxable sales ratio is 95% or more (step 8: 98.3%), therefore, the total amount of taxes on taxable purchases, etc. effectuated by Kouno Store is completely deducted.

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step.15 Adjust the amount of deduction

→ Use ㉑ to ㉓ of Scheduled 2-3.

An adjustment of the amount of deduction is necessary if either of the following conditions apply to your circumstances.

- A** If the amount of consumption tax relating to acquired fixed assets subject to adjustment was deducted in your 2019 consumption tax return as per the following stipulations resulting in a significant change in the average taxable sales ratio, calculate the amount of adjustment and enter the result in ㉑ of Schedule 2-3.
- The entire amount was deducted due to a taxable sales ratio of 95% or more
 - Based on the itemized method, the deduction was made as taxable purchases corresponding to both taxable and Non-taxable sales
 - The deduction was made based on the proportional method
- B** Sole proprietors using the itemized method who have changed the application of acquired fixed assets subject to adjustment as per the following stipulations within 3 years of acquisition should calculate that amount of the adjustment and enter the result in ㉒ of Schedule 2-3.
- The application of the fixed assets was changed from taxable sales only to Non-taxable sales only
 - The application of the fixed assets was changed from Non-taxable sales only to taxable sales only

What are fixed assets subject to adjustment?

Fixed assets subject to adjustment are assets excluding inventory assets, such as buildings (including attached facilities), machinery and equipment, vehicles and conveyance equipment, tools, fixtures, etc., purchased for ¥1,000,000 or more (tax excluded) per single transaction.

- C** If either of the following conditions apply to the residential rental building to which restriction on purchase tax credit pertaining to acquisition of residential rental building*1, calculate its adjustment amount and enter it in the column ㉓ of the Schedule 2-3.
- In case where that residential rental building was owned on the last day of the taxable period in the third year*2, and all or part of that residential rental building was used for taxable rent*3 during the adjustment period*4.
 - In case where all or part of the residential rental building was transferred to another person during the adjustment period.
- * 1 Please see P45.
2 The taxable period in the third year means a taxable period that includes the day on which three years have elapsed from the first day of the taxable period containing the date of purchase, etc. of the residential rental building.
3 Use for taxable rent means use for lease other than lease of a residential house deemed non-taxable.
4 The adjustment period means a period from the date of purchase, etc. of the residential rental building to the last day of the taxable period in the third year.
5 For details, please read the leaflet, "Information on the Revision of the Consumption Tax Act (April 2020)" (in Japanese) posted on the website of the National Tax Agency (<https://www.nta.go.jp>).

step.16 Amount of the deductible tax on purchases

→ Use ㉔ of Scheduled 2-3.

Calculate the difference between the amount of deductible tax on purchases (step 14) and the adjustment amount of the deductible tax (step 15).

If the result is positive, it represents your deductible tax on purchases (㉔, Schedule 2-3). Enter it in ㉔ of Schedule 1-3.

If the result is negative, proceed to step 17.

step.17 Calculate the tax adjustment for excess deductions

If the calculation result (step 16) is negative, enter that figure in ㉕ of Schedule 2-3.

In the event accounts representing the sale of merchandise or the provision of services are uncollectible and become bad debt, the amount of consumption tax included in those accounts receivable that became bad debt (herein, "bad debt") can be deducted from the amount of consumption tax levied on the tax base. If you have recovered previously deducted bad debt during the 2021 taxable period in whole or in part, calculate the consumption tax included in the recovered bad debt. Enter the calculation result in ㉖ of Schedule 2-3.

6.24% tax rate applicable

$$\text{Total amount of recovered bad debt} \times \frac{6.24}{108} = \text{㉖A Amount of consumption tax relating to recovered bad debt}$$

7.8% tax rate applicable

$$\text{Total amount of recovered bad debt} \times \frac{7.8}{110} = \text{㉖B Amount of consumption tax relating to recovered bad debt}$$

Example of Schedule 2-3: Kouno Store

Kouno Store's table for calculating the taxable sales ratio and deductible tax on purchases is as follows.

第4-(10)号様式

付表2-3 課税売上割合・控除対象仕入税額等の計算表

一般

課税期間		3・1・1～3・12・31	氏名又は名称	Taro Kouno		
項目		税率 6.24 % 適用分 A	税率 7.8 % 適用分 B	計 (A+B) C		
課税売上額 (税抜き)	①	12,138,888	8,681,818	20,820,706	step.6-1	
免税売上額	②					
非課税資産の輸出等の金額、海外支店等へ移送した資産の価額	③					
課税資産の譲渡等の対価の額 (①+②+③)	④			20,820,706	step.6-2	
課税資産の譲渡等の対価の額 (④の金額)	⑤			20,820,706	step.7-1	
非課税売上額	⑥			350,000		
資産の譲渡等の対価の額 (⑤+⑥)	⑦			21,170,706	step.7-2	
課税売上割合 (④ / ⑦)	⑧			[98.3%]	step.8	
課税仕入れに係る支払対価の額 (税込み)	⑨	8,736,000	7,690,000	16,426,000	step.9	
課税仕入れに係る消費税額	⑩	504,746	545,290	1,050,036		
特定課税仕入れに係る支払対価の額	⑪				step.10	
特定課税仕入れに係る消費税額	⑫					
課税貨物に係る消費税額	⑬				step.11	
納税義務の免除を受けない(受ける)こととなった場合における消費税額の調整(加算又は減算)額	⑭		123,452	123,452	step.12	
課税仕入れ等の税額の合計額 (⑩+⑫+⑬±⑭)	⑮	504,746	668,742	1,173,488	step.13	
課税売上高が5億円以下、かつ、課税売上割合が95%以上の場合 (⑮の金額)	⑯	504,746	668,742	1,173,488	step.14-A	
課税売上高が5億円未満の場合の個別対応方式による課税仕入れ等の税額	⑰のうち、課税売上げにのみ要するもの				step.14-B	
	⑰のうち、課税売上げと非課税売上げに共通して要するもの					
	個別対応方式により控除する課税仕入れ等の税額 (⑰+⑱×④/⑦)					
高又合場がはが合の控除調整額	⑲				step.15-A	
一括比例配分方式により控除する課税仕入れ等の税額 (⑲×④/⑦)	⑳					step.15-B
課税売上割合変動時の調整対象固定資産に係る消費税額の調整(加算又は減算)額	㉑					
調整対象固定資産を課税業務用(非課税業務用)に転用した場合の調整(加算又は減算)額	㉒				step.15-C	
居住用賃貸建物を課税賃貸用に供した(譲渡した)場合の加算額	㉓				step.16	
控除対象仕入税額 [(⑯、⑰又は⑱の金額)±㉑±㉒+㉓]がプラスの時	㉔	504,746	668,742	1,173,488		
控除過大調整税額 [(⑯、⑰又は⑱の金額)±㉑±㉒+㉓]がマイナスの時	㉕				step.17	
貸倒回収に係る消費税額	㉖					

注意 1 金額の計算においては、1円未満の端数を切り捨てる。
2 ⑯及び⑱欄には、振引き、買戻し、割引など仕入対価の返還等の金額がある場合(仕入対価の返還等の金額を仕入金額から直接減額している場合を除く。)には、その金額を控除した後の金額を記載する。

(R2.4.1以後終了課税期間用)

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step.18 Calculate the amount of tax on value of refunds, etc.

If there were any returns, discounts or rebates charged against goods sold or provision of services, calculate the consumption tax relating to those amounts and enter the result in ⑤-1 and ⑤ of Schedule 1-3.

6.24% tax rate applicable	Amount of returns, discounts or rebates	$\times \frac{6.24}{108}$	=	⑤-1A Amount of tax on value of refunds, etc.
7.8% tax rate applicable	Amount of returns, discounts or rebates	$\times \frac{7.8}{110}$	=	⑤-1B Amount of tax on value of refunds, etc.

*If there is a value entered in ⑤-1 and ⑤ of Schedule 1-3, it represents the amount of the transfer value of taxable assets, etc. in step 6 of P19 minus the amount of returns, discounts and rebates multiplied by 100/108 or 100/110.

This calculation is not necessary if, as shown in the example, applying an accounting method that directly deducts any returns, discounts or any other charges relating to sales from the amount of sales.

step.19 Calculate the amount of tax relating to buy bad debt

In the event accounts representing the sale of merchandise or the provision of services are unrecoverable and become bad debt, the amount of consumption tax included in those accounts receivable that became bad debt ("bad debt") can be deducted from the amount of consumption tax levied on the tax base. Enter the result in ⑥ of Schedule 1-3.

No deductions can be claimed for bad debt unless you have kept ample documentation that certifies the facts supporting the writing off of account receivables and provides clear details pertaining to the bad debt.

6.24% tax rate applicable	Amount relating to bad debt	$\times \frac{6.24}{108}$	=	⑥A Amount of tax relating to bad debt
7.8% tax rate applicable	Amount relating to bad debt	$\times \frac{7.8}{110}$	=	⑥B Amount of tax relating to bad debt

No calculations are necessary for ③, ⑤, or ⑥ in Schedule 1-3 pertaining to the amount of tax on recovered bad debt, refunds and other charges and bad debt described below.

- Recovered account receivables relating to transfer value of taxable assets, etc. effectuated as a Tax-exempt business
- Returns, discounts, etc. relating to transfer value of taxable assets, etc. effectuated as a Tax-exempt business
- Account receivables relating to transfer value of taxable assets, etc. effectuated as a Tax-exempt business

step.20 Calculate the subtotal of deductible tax

Calculate the "⑦Subtotal of deductible tax" by adding the "④Amount of deductible tax on purchases", the "⑤Amount of tax relating to refunds and other charges" and the "⑥Amount of tax relating to bad debt". Enter the result in ⑦ of Schedule 1-3.

$$\begin{array}{l} \text{"④Amount of deductible tax on purchases"} \\ + \\ \text{"⑤Amount of tax relating to refunds and other charges"} \\ + \\ \text{"⑥Amount of tax relating to bad debt"} \\ = \\ \text{"⑦Subtotal of deductible tax"} \end{array}$$

Example: Kouno Store

The subtotal of deductible tax is obtained as follows.

6.24% tax rate applicable (Enter the value in ⑦(column A) of Schedule 1-3)

$$\yen 504,746 + \yen 0 + \yen 0 = \yen 504,746$$

7.8% tax rate applicable (Enter the value in ⑦(column B) of Schedule 1-3)

$$\yen 668,742 + \yen 0 + \yen 0 = \yen 668,742$$

The subtotal of deductible tax (Enter the value in ⑦(column C) of Schedule 1-3)

$$\yen 504,746 + \yen 668,742 = \yen 1,173,488$$

step.21 Calculate the balance or the amount of tax refundable for insufficient deduction

Calculate the balance by subtracting the subtotal of deductible tax from the consumption taxes on taxable sales (the sum of the consumption tax and the amount of tax adjustment for excess deduction) and enter the result in ⑨ of Schedule 1-3.

$$\begin{array}{l} \text{"②Amount of consumption tax"} \\ + \\ \text{"③Amount of tax adjustment for excess deduction"} \\ - \\ \text{"⑦Subtotal of deductible tax"} \\ = \\ \text{"⑨Balance"}^* \end{array}$$

*rounded down to the nearest ¥100

If the result of calculation using the above formula is negative, you may claim a refund. For such as case, calculate the amount of tax refundable for insufficient deduction using the formula below and enter the result in ⑧ of Schedule 1-3.

$$\begin{array}{l} \text{"⑦Subtotal of deductible tax"} \\ - \\ \text{"②Amount of consumption tax"} \\ - \\ \text{"③Amount of tax adjustment for excess deduction"} \\ = \\ \text{"⑧Amount of tax refundable for insufficient deduction"} \end{array}$$

Example: Kouno Store

The balance is obtained as follows.

(Enter the value in ⑨ of Schedule 1-3)

$$\yen 1,434,529 + \yen 0 - \yen 1,173,488 = \yen 261,041$$

$$\yen 261,041 \rightarrow \yen 261,000 \text{ (rounded down to the nearest ¥100)}$$

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