

## Outline of the invoice system

The invoice system is a method to receive tax credit for consumption tax corresponding to multiple tax rates on purchases. Under the invoice system, in order for the buyer to receive tax credit for consumption tax on purchases, as a general rule, retention of a qualified invoice, etc. issued by the "business issuer of qualified invoice" will be required. In order for the seller to issue a qualified invoice, it must be registered as a "business issuer of qualified invoice" by the District Director of the tax office of jurisdiction.

### Once a business operator is registered as a business issuer of qualified invoice <<points that require attention as a seller>>

Whether or not the transaction is subject to the reduced tax rate, if an invoice is requested by the buyer who is a taxable party, a qualified invoice must be issued and a copy must be retained.

Even if the amount of taxable sales during the base period is below ¥10,000,000, unless the registry becomes invalid, consumption tax must be filed.

In order to comply with the invoice system, it is necessary to make preparations according to the actual business situation, such as revising the format of invoices, etc. currently in use and notifying the registration number to business counterparties.

### Requirements for purchase tax credit <<Points that require attention as a buyer>>

In order to apply for tax credit for consumption tax on purchases, it is necessary, in principle, to retain accounting books and a qualified invoice, etc. in which certain matters are recorded.

\* Items of entry in accounting books are the same as in the current system of retaining separate accounting invoices.

\* In case the simplified tax system has been selected, the amount of tax payable will be calculated from taxable sales. Therefore, retention of a qualified invoice, etc., is not a requirement of the tax credit for consumption tax on purchases.

As a general rule, taxable purchases made from parties other than business issuer of qualified invoice, such as tax-exempt businesses and consumers, are not eligible for tax credit for consumption tax on purchases.

\* However, for a certain period, a transitional measure has been established under which a certain percentage of the amount equivalent to the consumption tax on purchases can be deducted as the purchase tax, subject to certain requirements.

### What is the qualified invoice?

The qualified invoice refers to a document in which the seller communicates to the buyer the exact applicable tax rate, consumption tax amount, etc. Specifically, it is the current "separate accounting invoice" to which the "registration number," "applicable tax rate," and "consumption tax categorized by tax rate" have been added.

日付	品名	金額
11/1	魚 *	5,000円
11/1	豚肉 *	10,000円
11/2	タオルセット	2,000円
...		
合計	120,000円	消費税 11,200円
8%対象	40,000円	消費税 3,200円
10%対象	80,000円	消費税 8,000円

### [Entry Items]

- ① Name or title of the qualified invoice issuer and **registration number**
- ② Transaction date
- ③ Transaction details  
(indicating that the item is subject to reduced tax rate)
- ④ Compensation amount totaled separately by tax rate  
(Excluding or including tax) and **applicable tax rate**
- ⑤ **Consumption tax amount categorized by tax rate**
- ⑥ Name or title of the business operator against whom the invoice is issued

\* For transactions related to retail business, restaurant business, taxi business, etc., where sales are made to an unspecified number of counterparts, the "qualified simplified invoice" with simplified entry items may be issued.

### Contact number for inquiries concerning the invoice system

Consultations concerning the invoice system may be received at the below number.

Telephone Consultation Center for Reduced Consumption Tax Rate and Invoice System

**Telephone 0120-205-553** ( Please contact in Japanese )

**Opening 9:00a.m. – 5:00p.m.** ( Except Saturdays, sundays, and holidays )

\* The consultation center addresses general inquiries concerning the invoice system and reduced consumption tax rate system.

In addition to the dedicated number above, you may also contact your local tax office. Follow the automated guidance and press "3" to be connected. (For general inquiries concerning national taxes other than the invoice system and reduced consumption tax rate system, please press "1".)

Contact number for the tax office may be found on the official web site of the National Tax Agency (<https://www.nta.go.jp>). If you would like to schedule an in-person consultation at the tax office for an individual consultation (a consultation that requires confirmation of specific facts through relevant documents, etc.), please call the nearest tax office (follow the guidance and press "2") to schedule an appointment.