

Example: Kouno Store

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

Kouno Store is a 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 ¥14,951,456
- Its entries pertaining to consumption and local consumption taxes were effectuated using the "tax included accounting method".
- The following are Kouno's 2021 income results and special mentions.
 - Its sales (revenue) appearing in its income statement is ¥18,270,000.
 - ¥350,000 worth of sales from beer coupons (Non-taxable transaction) is included in its sales. Of the sales amount ¥17,920,000, the taxable transactions, tax rate 6.24% applicable amount is ¥10,240,000, tax rate 7.8% applicable amount is ¥7,680,000.
 - A delivery vehicle was sold for ¥280,000.
 - There are returns, discounts and rebates relating to sales, however, the accounting method used directly deducted these amounts from sales.
- It submitted "Report on the Selection of the Simplified Tax System for Consumption tax" in 2020.

step.1 Calculate your total amount of taxable sales

Calculate the amount of sales(not including consumption and local consumption taxes) relating to taxable transactions effectuated during the taxable period(January 1st to December 31st, 2021), by the tax rate. Use the table for calculating taxable sales (Table A)(P39).

step.1-1

Enter the amount of sales(revenue) relating to business income (sales, etc.), as it appears in ledgers, etc.(separate accounting) and portion not considered taxable sales and calculate the difference.

→Use ① of Table A.

step.1-2

As in step 1-1, enter the amount of revenue relating to business (agriculture) income and the portion excluded from taxable sales and calculate the difference.

→Use ② of Table A.

step.1-3

As in step 1-1, enter the amount of revenue derived from real estate income and the portion excluded from taxable sales and calculate the difference.

→Use ③ of Table A.

step.1-4

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

→Use ④ to ⑥ of Table A.

Example of Table A: Kouno Store

step.1-1

The sale of beer coupons is a non-taxable transaction, therefore, not included in taxable sales. The balance of taxable sales is obtained as follows.

$$\begin{array}{r} \text{¥}18,270,000 - \text{¥}350,000 \\ \text{(amount of sales)} \quad \text{(sales of beer coupons)} \\ \hline = \text{¥}17,920,000 \end{array}$$

Enter ¥17,920,000 in ① (Amount) of Table A.

Enter ¥10,240,000 in ①(6.24% tax rate applicable) of Table A.

Enter ¥7,680,000 in ①(7.8% tax rate applicable) of Table A.

step.1-5

If there are revenue relating to capital gains from the sale of fixed business assets, enter that amount and that portion excluded from taxable sales and calculate the difference.

→Use ⑦ to ⑨ of Table A.

step.1-6

Sum up the values in steps 1-1 to 1-5 to calculate the total balance of taxable sales.

→Use ⑩ of Table A.

Example of Table A: Kouno Store

step.1-5

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(Amount) of Table A.

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

step.1-6

The total amount of taxable sales is obtained as follows.

$$¥17,920,000 + ¥280,000 = ¥18,200,000$$

6.24% tax rate applicable

$$¥10,240,000$$

7.8% tax rate applicable

$$¥7,680,000 + ¥280,000 = ¥7,960,000$$

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

step.2 Calculate your tax base

step.2-1

Multiply the total amount of taxable sales (Table A, ⑩) by 100/108 or 100/110, calculate the total sales relating to taxable transactions and enter them in ①-1 of Schedule 4-3, respectively.

* If using the "tax excluded accounting method (P38)", 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	Taxable sales (tax included)	×	$\frac{100}{108}$	=	①-1A Tax base
7.8% tax rate applicable	Taxable sales (tax included)	×	$\frac{100}{110}$	=	①-1B Tax base

step.2-2

Enter the calculation result for step 2-1 in ① of Schedule 4-3 rounding the figure down to the nearest ¥1,000.

Example of Table A: Kouno Store

step.2-1

① of Table A is obtained as follows.

$$¥10,240,000 \times \frac{100}{108} = ¥9,481,481$$

(Enter in ①-1 (column A) of Schedule 4-3)

② of Table A is obtained as follows.

$$¥7,960,000 \times \frac{100}{110} = ¥7,236,363$$

(Enter in ①-1 (column B) of Schedule 4-3)

Total amount is obtained as follows.

$$¥9,481,481 + ¥7,236,363 = ¥16,717,844$$

(Enter in ①-1 (column C) of Schedule 4-3)

step.2-2

Round down the figure(step 2-1) to the nearest ¥1,000 to obtain the tax base. Enter in ① of Schedule 4-3.

$$¥9,481,481 \Rightarrow ¥9,481,000$$

(Enter in ①(column A) of Schedule 4-3)

$$¥7,236,363 \Rightarrow ¥7,236,000$$

(Enter in ①(column B) of Schedule 4-3)

Total amount of tax base is obtained as follows.

$$¥9,481,000 + ¥7,236,000 = ¥16,717,000$$

(Enter in ①(column C) of Schedule 4-3)

The table for calculating taxable sales for Kouno Store is as the next page.

Table A

課税売上高計算表

(令和 3 年分)

(1) 事業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
営業等課税売上高	① 17,920,000	10,240,000	7,680,000
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 18,200,000	10,240,000	7,960,000
(6) 課税資産の譲渡等の対価の額の計算			
10,240,000 円×100/108 税抜経理方式によっている場合、⑩軽減税率6.24%適用分欄の金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。	⑪	(1円未満の端数切捨て) (一般用)付表1-3の①-1A欄へ (簡易課税用)付表4-3の①-1A欄へ	9,481,481
7,960,000 円×100/110 税抜経理方式によっている場合、⑩標準税率7.8%適用分欄の金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。	⑫	(1円未満の端数切捨て) (一般用)付表1-3の①-1B欄へ (簡易課税用)付表4-3の①-1B欄へ	7,236,363

step.1-1

step.1-2

step.1-3

step.1-4

step.1-5

step.1-6

step.2-1

step.3 Calculate the consumption tax

Calculate the amount of consumption tax by multiplying the "①tax base" of Schedule 4-3 by the consumption tax(national Tax) rate of 6.24% or 7.8%. Enter the calculation result in ② of Schedule 4-3.

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

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

Example of Schedule 4-3: Kouno Store

The amount of consumption tax is obtained as follows.

6.24% tax rate applicable (Enter in ②(column A) of Schedule 4-3)

$$\yen 9,481,000 \times 6.24\% = \yen 591,614$$

7.8% tax rate applicable (Enter in ②(column B) of Schedule 4-3)

$$\yen 7,236,000 \times 7.8\% = \yen 564,408$$

Total amount (Enter in ②(column C) of Schedule 4-3)

$$\yen 591,614 + \yen 564,408 = \yen 1,156,022$$

step.4 Calculate the amount of consumption tax relating to recovered 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 (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 in whole or in part, during the 2021 taxable period calculate the consumption tax included in the recovered bad debt. Enter the calculation result in ③ of Schedule 4-3.

$$\begin{array}{|l|} \hline \text{6.24\% tax rate} \\ \text{applicable} \\ \hline \end{array} \quad \text{Total amount of recovered bad debt} \times \frac{6.24}{108} = \text{③A Consumption tax relating to recovered bad debt}$$

$$\begin{array}{|l|} \hline \text{7.8\% tax rate} \\ \text{applicable} \\ \hline \end{array} \quad \text{Total amount of recovered bad debt} \times \frac{7.8}{110} = \text{③B Consumption tax relating to recovered bad debt}$$

* It is not necessary to calculate the collection of the bad debt of accounts receivable etc. that lie transferred of the taxation property then when it was Tax-exempt business.

step.5 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 of Schedule 4-3.

$$\begin{array}{|l|} \hline \text{6.24\% tax rate} \\ \text{applicable} \\ \hline \end{array} \quad \text{Amount of returns, discounts or rebates} \times \frac{6.24}{108} = \text{⑤A Amount of tax on value of refunds, etc.}$$

$$\begin{array}{|l|} \hline \text{7.8\% tax rate} \\ \text{applicable} \\ \hline \end{array} \quad \text{Amount of returns, discounts or rebates} \times \frac{7.8}{110} = \text{⑤B Amount of tax on value of refunds, etc.}$$

* It is not necessary to calculate returned goods and the discount, etc. that lie transferred of the taxation property done when it was Tax-exempt business.

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.

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

Example: Kouno Store

To the following is an example of Schedule 4-3 filled in with results of calculations effectuated up to this point. Below is a review of those calculation results.

第4-(11)号様式

付表4-3 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 簡易

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	9,481,000	7,236,000	16,717,000
課税資産の譲渡等の対価の額 ①・1	9,481,481	7,236,363	16,717,844
消費税額 ②	591,614	564,408	1,156,022
貸倒回収に係る消費税額 ③			

step.6 Calculate the amount of consumption tax representing the base for the deductible tax on purchases

Use the table for calculating the deductible tax on purchases (Schedule 5-3)(P41 to 42) to calculate the deductible tax on purchases.

step.6-1

Enter the calculator results for ②, ③ and ⑤ of Schedule 4-3 in ①, ② and ③ of Schedule 5-3.

step.6-2

Calculate the consumption tax representing the base for the deductible tax on purchases by tax rate for ④ of the Schedule 5-3.

$$\text{① Consumption tax} + \text{② Consumption tax relating to recovered bad debt} - \text{③ Tax relating to refunds and other charges} = \text{④ Amount of consumption tax representing the base}$$

Example: Kouno Store

step.6-1

Enter ¥591,614(Schedule 4-3, ②(column A)) in ①(column A) of Schedule 5-3.

Enter ¥564,408(Schedule 4-3, ②(column B)) in ①(column B) of Schedule 5-3.

Enter ¥1,156,022(Schedule 4-3, ②(column C)) in ①(column C) of Schedule 5-3.

step.6-2

The amount of consumption tax representing the base for the deductible tax on purchases is obtained as follows.

6.24% tax rate applicable (Enter in ④(column A) of Schedule 5-3.)

$$¥591,614 + ¥0 - ¥0 = ¥591,614$$

7.8% tax rate applicable (Enter in ④(column B) of Schedule 5-3.)

$$¥564,408 + ¥0 - ¥0 = ¥564,408$$

Total amount (Enter in ④(column C) of Schedule 5-3.)

$$¥591,614 + ¥564,408 = ¥1,156,022$$

Note

In the simplified tax system, the deductible tax is calculated by multiplying the consumption taxes on taxable sales for business Type 1 to Type 6 by the deemed purchase rate. Business classifications are determined, as a rule, for every transaction. Moreover, if there are amounts relating to returns, discounts or rebates, the amount resulting from subtracting them from the taxable sales per business type is the actual amount of tax sales per business type.

Q. Please elaborate on business types.

A. Business is classified in the following types. There is also a flowchart on P45 that serves as a guide for determining the business types.

Nature of the business		Business type	Deemed purchase rate
Wholesale	The sale of goods to other business operators without changing the condition in which they were originally purchased.	Type 1	90%
Retail, etc	This refers to the sale of goods to consumers without changing the condition in which they were originally purchased and agriculture, forestry and fisheries (restricted businesses related to transfer of food and drink). A business that manufactures and retails goods is a Type 3 business.	Type 2	80%
Manufacturing, etc.	This refers to agriculture, forestry and fisheries (excluding businesses related to transfer of food and drink), mining, stone gravel quarrying, construction, manufacturing, manufacturing and retail, electricity, gas, heat supply and waterworks. A business that renders services remunerated in processing fees is a Type 4 business.	Type 3	70%
Other type of business	This refers to businesses that do not fall under either of Types 1 to 3,5 or 6. For example, eating and drinking services, etc. The sale of fixed business assets by the business operator is also a Type 4 business.	Type 4	60%
Services, etc.	This refers to financial and insurance service providers, transportation and, communications industries, services (excluding businesses related to eating and drinking services).	Type 5	50%
Real estate	This means real estate business (excluding Types 1 to 3 and Type 5 businesses).	Type 6	40%

If operating 1 type of business

step.7 Calculate the amount of deductible tax on purchases

Calculate the deductible tax on purchases by multiplying the consumption tax representing the base in step 6-2 by the deemed purchase rate. Enter the calculation result in ⑤ of the Schedule 5-3.

Example: Kouno Store

Kouno Store is a 2-business type operation since it has income derived from merchandising (Type 2) and capital gains from the sale of a delivery vehicle (Type 4).

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

$$\text{④ Consumption tax representing the base} \times \text{Applicable deemed purchase rate} = \text{⑤ Deductible tax on purchases}$$

Enter ⑤ of Schedule 5-3 in ④ of Schedule 4-3, respectively.

If operating 2 or more types of businesses

step.8 Calculate the amount of taxable sales (tax excluded) for each type of business

step.8-1

Calculate the taxable sales (tax excluded) by multiplying the taxable sales (tax included) for each type of business by 100/108 or 100/110.

6.24% tax rate applicable

$$\begin{aligned} &\text{Taxable sales (tax included) per business type} \times \frac{100}{108} \\ &= \text{⑦~⑫A Taxable sales (tax excluded) per business type} \end{aligned}$$

7.8% tax rate applicable

$$\begin{aligned} &\text{Taxable sales (tax included) per business type} \times \frac{100}{110} \\ &= \text{⑦~⑫B Taxable sales (tax excluded) per business type} \end{aligned}$$

→Use ⑦ to ⑫ of Schedule 5-3.

step.8-2

Calculate total of the taxable sales (tax excluded) by tax rate.

Enter total amount of ⑥ (column A, B) of Schedule 5-3 in ⑥ (column C) of Schedule 5-3.

6.24% tax rate applicable

$$\text{Taxable sales (tax included)} \times \frac{100}{108} = \text{⑥A Taxable sales (tax excluded)}$$

7.8% tax rate applicable

$$\text{Taxable sales (tax included)} \times \frac{100}{110} = \text{⑥B Taxable sales (tax excluded)}$$

→Use ⑥ of Schedule 5-3.

Example: Kouno Store

step.8-1

The taxable sales (tax excluded) per business type are obtained as follows.

Type 2 business (merchandising)

6.24% tax rate applicable (Enter in ⑧ (column A) of Schedule 5-3.)

$$\yen 10,240,000 \times \frac{100}{108} = \yen 9,481,481$$

7.8% tax rate applicable (Enter in ⑧ (column B) of Schedule 5-3.)

$$\yen 7,680,000 \times \frac{100}{110} = \yen 6,981,818$$

Total amount (Enter in ⑧ (column C) of Schedule 5-3.)

$$\yen 9,481,481 + \yen 6,981,818 = \yen 16,463,299$$

Type 4 business (capital gains)

7.8% tax rate applicable (Enter in ⑩ (column B) of Schedule 5-3.)

$$\yen 280,000 \times \frac{100}{110} = \yen 254,545$$

Total amount (Enter in ⑩ (column C) of Schedule 5-3.)

$$\yen 254,545$$

step.8-2

The total amount is obtained as follows.

6.24% tax rate applicable (Enter in ⑥ (column A) of Schedule 5-3.)

$$\yen 10,240,000 \times \frac{100}{108} = \yen 9,481,481$$

7.8% tax rate applicable (Enter in ⑥ (column B) of Schedule 5-3.)

$$\yen 7,960,000 \times \frac{100}{110} = \yen 7,236,363$$

Total amount (Enter in ⑥ (column C) of Schedule 5-3.)

$$\yen 9,481,481 + \yen 7,236,363 = \yen 16,717,844$$

step.9 Calculate the sales ratio for each type of business

Calculate the sales ratio for each type of business based on the calculation result in step 8.

$$\begin{array}{ccc} \textcircled{7}\sim\textcircled{12}\text{C} & \textcircled{6}\text{C Total amount} & \textcircled{7}\sim\textcircled{12} \\ \text{Taxable sales} & \text{of taxable} & \text{Sales} \\ \text{(tax excluded) per} & \text{sales} & \text{ratio per} \\ \text{business type} & \text{(tax excluded)} & \text{business type} \end{array} \div \times 100 =$$

→ Enter the amounts in the boxes provided for sales ratios in ⑦ to ⑫ of Schedule 5-3.

Example: Kouno Store

step.9

The sales ratio per business type is obtained as follows.

Type 2 business (merchandising)

$$¥ 16,463,299 \div ¥ 16,717,844 \times 100 = 98.4\%$$

Type 4 business (capital gains)

$$¥ 254,545 \div ¥ 16,717,844 \times 100 = 1.5\%$$

step.10 Calculate the amount of consumption tax for each type of business

step.10-1

Calculate the amount of consumption tax for each type of business.

$$\begin{array}{ccc} \boxed{6.24\% \text{ tax}} & \text{Taxable sales} & \textcircled{14}\sim\textcircled{19}\text{A} \\ \boxed{\text{rate applicable}} & \text{(tax included) per} & \text{Consumption} \\ & \text{business type} & \text{tax per} \\ & \times \frac{6.24}{108} = & \text{business type} \end{array}$$

$$\begin{array}{ccc} \boxed{7.8\% \text{ tax}} & \text{Taxable sales} & \textcircled{14}\sim\textcircled{19}\text{B} \\ \boxed{\text{rate applicable}} & \text{(tax included) per} & \text{Consumption} \\ & \text{business type} & \text{tax per} \\ & \times \frac{7.8}{110} = & \text{business type} \end{array}$$

→ Use ⑭ to ⑰ of Schedule 5-3.

Example: Kouno Store

step.10-1

The consumption tax per business type is obtained as follows.

Type 2 business (merchandising)

6.24% tax rate applicable (Enter in ⑯(column A) of Schedule 5-3.)

$$¥ 10,240,000 \times \frac{6.24}{108} = ¥ 591,644$$

7.8% tax rate applicable (Enter in ⑯(column B) of Schedule 5-3.)

$$¥ 7,680,000 \times \frac{7.8}{110} = ¥ 544,581$$

Total amount (Enter in ⑰(column C) of Schedule 5-3.)

$$¥ 591,644 + ¥ 544,581 = ¥ 1,136,225$$

Type 4 business (capital gains)

7.8% tax rate applicable (Enter in ⑰(column B) of Schedule 5-3.)

$$¥ 280,000 \times \frac{7.8}{110} = ¥ 19,854$$

Total amount (Enter in ⑰(column C) of Schedule 5-3.)

$$¥ 19,854$$

step.10-2

The total amount of consumption tax for each business type is obtained as follows.

6.24% tax rate applicable (Enter in ⑳(column A) of Schedule 5-3.)

$$¥ 591,644$$

7.8% tax rate applicable (Enter in ⑳(column B) of Schedule 5-3.)

$$¥ 544,581 + ¥ 19,854 = ¥ 564,435$$

Total amount (Enter in ⑳(column C) of Schedule 5-3.)

$$¥ 591,644 + ¥ 564,435 = ¥ 1,156,079$$

step.10-2

Calculate total amount of the consumption tax by tax rate for each type.

Enter total amount of ⑳(column A, B) of Schedule 5-3 in ㉑(column C) of Schedule 5-3.

step.1 1 Select the calculation method for the deductible tax on purchases

If you are undertaking 2 or more types of businesses, calculate the deductible tax on purchases using either one of methods **A** to **D** shown below.

Sole proprietors who can use more than 1 calculation method from among message **A** to **C** may select either one of the methods.

* However, it is not possible to select a different calculation method for each applicable tax rate.

Note

In the following cases, you should calculate differently from this Guide. Please contact the Tax office covering your jurisdiction for details on calculation results.

- If there is an amount of consumption tax relating to recovered bad debt
- If there is an amount of tax on value of refunds, etc. and the amounts of those charges are greater than the amounts of consumption tax for each type of business

A Basic formula

$$\text{Amount of consumption tax representing the base} \times \frac{\left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 1} \\ \text{business} \\ \times 90\% \end{array} \right) + \left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 2} \\ \text{business} \\ \times 80\% \end{array} \right) + \left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 3} \\ \text{business} \\ \times 70\% \end{array} \right) + \left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 4} \\ \text{business} \\ \times 60\% \end{array} \right) + \left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 5} \\ \text{business} \\ \times 50\% \end{array} \right) + \left(\begin{array}{c} \text{Consumption tax} \\ \text{for Type 6} \\ \text{business} \\ \times 40\% \end{array} \right)}{\text{Total of consumption tax amounts by business type}} = \text{Amount of deductible tax on purchases}$$

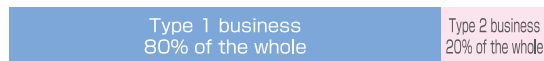
→ Use ㉔ of Schedule 5-3.

- B Special method 1** If the amount of taxable sales relating to one business type covers 75% or more of the entire amount of taxable sales
- Sole proprietors with 2 or more types of businesses, 1 of which covering 75% or more of the entire amount of taxable sales may calculate the deductible tax on purchases using the deemed purchase rate corresponding to that type of business

→ Use ㉕ of Schedule 5-3.

$$\text{Amount of consumption tax representing the base} \times \text{The deemed purchase rate for the business type covering 75\% or more} = \text{Amount of deductible tax on purchases}$$

Example If the taxable sales for Type 1 business cover 80% of the whole

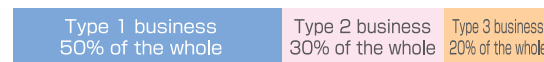


Apply the deemed purchase rate covering to Type 1 business (90%).

- C Special method 2** If the amount of taxable sales relating to two business types covers 75% or more of the entire amount of taxable sales

Sole proprietors with 3 or more types of businesses of which the sum of the taxable sales for 2 of those businesses covers 75% or more of the entire amount of taxable sales may use the greater of those 2 deemed purchase rates on the amount of taxable sales of its corresponding businesses. For the other businesses, of the 2 business types covering 75% or more of the whole, the lesser of the 2 deemed purchase rates only may be used to calculate the deductible tax on purchases.

Example If the total taxable sales for Types 1 and 2 businesses cover 80% of the whole



Apply the deemed purchase rate for Type 1 business (90%). Apply the deemed purchase rate for Type 2 business (80%).

In this case, the formula for calculating the deductible tax on purchases is as follows.

$$\text{Amount of consumption tax representing tax base} \times \frac{\text{Consumption tax on Type 1 business} \times 90\% + \left(\frac{\text{Total amount of consumption tax for each business} - \text{Consumption tax on Type 1 business}}{\text{Total of consumption tax amounts by business type}} \right) \times 80\%}{\text{Total of consumption tax amounts by business type}} = \text{Amount of deductible tax on purchases}$$

→ Use the applicable columns from ㉔ to ㉞ of schedule 5-3.

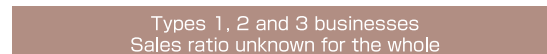
- D If not classifying sales by type of business**

Sole proprietors with 2 or more types of businesses not classifying their sales by type of business may use the lowest corresponding deemed purchase rate among those unclassified businesses on the total amount of unclassified taxable sales to calculate the deductible tax on purchases.

For example, Sole proprietors with 3 types of businesses the sales of which are not classified may use the lowest deemed purchase rate of the rates corresponding to those businesses to calculate the deductible tax on purchases (Example 1).

Sole proprietors whose classified and unclassified businesses are mixed together in the same operation may use the deemed purchase rate corresponding to the classified business on the amount of sales for that business and the lowest corresponding deemed purchase rate on the total sales of the unclassified businesses to calculate the deductible tax on purchases (Example 2).

Example 1 If neither of Types 1, 2 nor 3 businesses are classified



Apply the deemed purchase rate for Type 3 business (70%).

Example 2 If Type 1 business is classified but Types 2 and 3 businesses are not classified



Apply the deemed purchase rate for Type 1 business (90%). Apply the deemed purchase rate for Type 3 business (70%).

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

step.12 Determine the deductible tax on purchases

Determine the deductible tax on purchases and enter the value in ㉟ of Schedule 5-3.
Enter ㉟ of Schedule 5-3 in ㊦ of Schedule 4-3.

Example: Kouno Store

step.11

Kouno Store can use methods ㊦ and ㊧.

The deductible tax on purchases is calculated using both methods and calculation method ㊧, which yields the greater deduction, is selected.

㊦ Basic formula

6.24% tax rate applicable (Enter in ㉠(column A) of Schedule 5-3.)

$$\yen 591,614 \times \frac{\yen 591,644 \times 80\%}{\yen 591,644} = \yen 473,291$$

7.8% tax rate applicable (Enter in ㉠(column B) of Schedule 5-3.)

$$\yen 564,408 \times \frac{\yen 544,581 \times 80\% + \yen 19,854 \times 60\%}{\yen 564,435} = \yen 447,554$$

Total amount (Enter in ㉠(column C) of Schedule 5-3.)

$$\yen 473,291 + \yen 447,554 = \yen 920,845$$

㊧ Special method 1

6.24% tax rate applicable (Enter in ㉠(column A) of Schedule 5-3.)

$$\yen 591,614 \times 80\% = \yen 473,291$$

7.8% tax rate applicable (Enter in ㉠(column B) of Schedule 5-3.)

$$\yen 564,408 \times 80\% = \yen 451,526$$

Total amount (Enter in ㉠(column C) of Schedule 5-3.)

$$\yen 473,291 + \yen 451,526 = \yen 924,817$$

step.12

Enter ¥ 473,291 (㉠(column A)) in ㉟(column A of Schedule 5-3) and ㊦(column A of Schedule 4-3).

Enter ¥ 451,526 (㉠(column B)) in ㉟(column B of Schedule 5-3) and ㊦(column B of Schedule 4-3).

Enter ¥ 924,817 (㉠(column C)) in ㉟(column C of Schedule 5-3) and ㊦(column C of Schedule 4-3).

Kouno Store's Schedule 5-3 is as follows.

- 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

第4-(12)号様式

付表5-3 控除対象仕入税額等の計算表

簡易

課税期間	3・1・1～3・12・31	氏名又は名称	Taro Kouno
------	---------------	--------	------------

I 控除対象仕入税額の計算の基礎となる消費税額

項目	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
課税標準額に 対する消費税額 ①	591,614	564,408	1,156,022
貸倒回収税に 係る消費税額 ②			
売上対価の返還等 に係る消費税額 ③			
控除対象仕入税額の計算 の基礎となる消費税額 (①+②-③) ④	591,614	564,408	1,156,022

step.6-1

step.6-2

II 1種類の事業の事業者の場合の控除対象仕入税額

項目	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
④ × みなし仕入率 (90%・80%・70%・60%・50%・40%) ⑤			

step.7

III 2種類以上の事業を営む事業者の場合の控除対象仕入税額

(1) 事業区分別の課税売上高(税抜き)の明細

項目	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)	売上 割合
事業区分別の合計額 ⑥	9,481,481	7,236,363	16,717,844	
第一種事業 (卸売業) ⑦				%
第二種事業 (小売業等) ⑧	9,481,481	6,981,818	16,463,299	98.4
第三種事業 (製造業等) ⑨				
第四種事業 (その他) ⑩		254,545	254,545	1.5
第五種事業 (サービス業等) ⑪				
第六種事業 (不動産業) ⑫				

step.8-2

step.8-1
step.9

(2) (1)の事業区分別の課税売上高に係る消費税額の明細

項目	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
事業区分別の合計額 ⑬	591,644	564,435	1,156,079
第一種事業 (卸売業) ⑭			
第二種事業 (小売業等) ⑮	591,644	544,581	1,136,225
第三種事業 (製造業等) ⑯			
第四種事業 (その他) ⑰		19,854	19,854
第五種事業 (サービス業等) ⑱			
第六種事業 (不動産業) ⑲			

step.10

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 課税売上げにつき返品を受け又は値引き・割引をした金額(売上対価の返還等の金額)があり、売上(収入)金額から減算しない方法で経理して経費に含めている場合には、⑥から⑯欄には売上対価の返還等の金額(税抜き)を控除した後の金額を記載する。

(3) 控除対象仕入税額の計算式区分の明細

イ 原則計算を適用する場合

控除対象仕入税額の計算式区分	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
$\left(\frac{\text{④} \times \text{みなし仕入率}}{\text{⑬}} \right) \text{⑳}$ $\left(\frac{\text{⑭} \times 90\% + \text{⑮} \times 80\% + \text{⑯} \times 70\% + \text{⑰} \times 60\% + \text{⑱} \times 50\% + \text{㉑} \times 40\%}{\text{⑬}} \right)$	473,291	447,554	920,845

step.11 A

ロ 特例計算を適用する場合

(イ) 1種類の事業で75%以上

控除対象仕入税額の計算式区分	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
$\left(\frac{\text{㉒} \times \text{⑦} \text{C} + \text{㉓} \times \text{⑧} \text{C} + \text{㉔} \times \text{⑨} \text{C} + \text{㉕} \times \text{⑩} \text{C} + \text{㉖} \times \text{⑪} \text{C} + \text{㉗} \times \text{⑫} \text{C} + \text{㉘} \times \text{⑬} \text{C}}{\text{㉙} \text{C}} \right) \geq 75\%$ $\text{④} \times \text{みなし仕入率} (90\% \cdot 80\% \cdot 70\% \cdot 60\% \cdot 50\% \cdot 40\%)$	473,291	451,526	924,817

step.11 B

(ロ) 2種類の事業で75%以上

控除対象仕入税額の計算式区分	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
第一種事業及び第二種事業 (⑦C + ⑧C) / ⑥C ≥ 75%	④ × $\frac{\text{⑭} \times 90\% + (\text{⑬} - \text{⑭}) \times 80\%}{\text{⑬}}$		
第一種事業及び第三種事業 (⑦C + ⑨C) / ⑥C ≥ 75%	④ × $\frac{\text{⑭} \times 90\% + (\text{⑬} - \text{⑭}) \times 70\%}{\text{⑬}}$		
第一種事業及び第四種事業 (⑦C + ⑩C) / ⑥C ≥ 75%	④ × $\frac{\text{⑭} \times 90\% + (\text{⑬} - \text{⑭}) \times 60\%}{\text{⑬}}$		
第一種事業及び第五種事業 (⑦C + ⑪C) / ⑥C ≥ 75%	④ × $\frac{\text{⑭} \times 90\% + (\text{⑬} - \text{⑭}) \times 50\%}{\text{⑬}}$		
第一種事業及び第六種事業 (⑦C + ⑫C) / ⑥C ≥ 75%	④ × $\frac{\text{⑭} \times 90\% + (\text{⑬} - \text{⑭}) \times 40\%}{\text{⑬}}$		
第二種事業及び第三種事業 (⑧C + ⑨C) / ⑥C ≥ 75%	④ × $\frac{\text{⑮} \times 80\% + (\text{⑬} - \text{⑮}) \times 70\%}{\text{⑬}}$		
第二種事業及び第四種事業 (⑧C + ⑩C) / ⑥C ≥ 75%	④ × $\frac{\text{⑮} \times 80\% + (\text{⑬} - \text{⑮}) \times 60\%}{\text{⑬}}$		
第二種事業及び第五種事業 (⑧C + ⑪C) / ⑥C ≥ 75%	④ × $\frac{\text{⑮} \times 80\% + (\text{⑬} - \text{⑮}) \times 50\%}{\text{⑬}}$		
第二種事業及び第六種事業 (⑧C + ⑫C) / ⑥C ≥ 75%	④ × $\frac{\text{⑮} \times 80\% + (\text{⑬} - \text{⑮}) \times 40\%}{\text{⑬}}$		
第三種事業及び第四種事業 (⑨C + ⑩C) / ⑥C ≥ 75%	④ × $\frac{\text{⑯} \times 70\% + (\text{⑬} - \text{⑯}) \times 60\%}{\text{⑬}}$		
第三種事業及び第五種事業 (⑨C + ⑪C) / ⑥C ≥ 75%	④ × $\frac{\text{⑯} \times 70\% + (\text{⑬} - \text{⑯}) \times 50\%}{\text{⑬}}$		
第三種事業及び第六種事業 (⑨C + ⑫C) / ⑥C ≥ 75%	④ × $\frac{\text{⑯} \times 70\% + (\text{⑬} - \text{⑯}) \times 40\%}{\text{⑬}}$		
第四種事業及び第五種事業 (⑩C + ⑪C) / ⑥C ≥ 75%	④ × $\frac{\text{⑰} \times 60\% + (\text{⑬} - \text{⑰}) \times 50\%}{\text{⑬}}$		
第四種事業及び第六種事業 (⑩C + ⑫C) / ⑥C ≥ 75%	④ × $\frac{\text{⑰} \times 60\% + (\text{⑬} - \text{⑰}) \times 40\%}{\text{⑬}}$		
第五種事業及び第六種事業 (⑪C + ⑫C) / ⑥C ≥ 75%	④ × $\frac{\text{⑱} \times 50\% + (\text{⑬} - \text{⑱}) \times 40\%}{\text{⑬}}$		

step.11 C

ハ 上記の計算式区分から選択した控除対象仕入税額

項目	税率6.24%適用分 A	税率7.8%適用分 B	合計 C (A+B)
選択可能な計算式区分(㉒～㉘)の内から選択した金額	473,291	451,526	924,817

step.12

注意 金額の計算においては、1円未満の端数を切り捨てる。

step.13 Calculate the amount of tax relating to 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 4-3.

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

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

- Note**
1. Bad debt resulting from claims other than those relating to taxable sales cannot be treated as a consumption tax deduction.
 2. Bad debt resulting from claims relating to sales effectuated as a Tax-exempt business.
 3. The scope of bad debt in consumption tax is the same as in income tax.

step.14 Calculate the subtotal of deductible tax

Sum up the "④Amount of deductible tax on purchases", the "⑤ Amount of tax relating to refunds and other charges" and the "⑥Amount of tax relating to bad debt" and enter the result in ⑦ of the schedule 4-3.

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

Example: Kouno Store

The subtotal of deductible tax is obtained as follows.

6.24% tax rate applicable	(Enter in ⑦(column A) of Schedule 4-3.)
$¥473,291 + ¥0 + ¥0 = ¥473,291$	
7.8% tax rate applicable	(Enter in ⑦(column B) of Schedule 4-3.)
$¥451,526 + ¥0 + ¥0 = ¥451,526$	
Total amount	(Enter in ⑦(column C) of Schedule 4-3.)
$¥473,291 + ¥451,526 = ¥924,817$	

step.15 Calculate either the balance or the consumption tax refund

Consumption taxes on taxable sales (sum of the "②Amount of consumption tax" and the "③Amount of consumption tax relating to recovery of bad debts") exceeds consumption taxes on taxable purchases ("⑦Subtotal of deductible tax") by tax rate. Enter the result in ⑨ of Schedule 4-3.

$$\text{"②Amount of consumption tax"} + \text{"③Amount of tax relating to recovery of bad debts"} - \text{"⑦Subtotal of deductible tax"} = \text{"⑨Balance"}^*$$

*rounded down to the nearest ¥100

If the calculated result of the above formula is negative, it is refundable. In this case, enter the result in ⑧ of Schedule 4-3.

$$\text{"⑦Subtotal of deductible tax"} - \text{"②Amount of consumption tax"} - \text{"③Amount of tax relating to recovery of bad debts"} = \text{"⑧The refundable for insufficient deduction"}$$

Example: Kouno Store

The balance is obtained as follows.
(Enter the value in ⑨ of Schedule 4-3.)

$$¥1,156,022 + ¥0 - ¥924,817 = ¥231,205$$

$$¥231,205 \rightarrow ¥231,200$$

(rounded down to the nearest ¥100)

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