Table for determining taxability of consumption tax transactions

This table contains an approximate standard for determining the taxability of transactions with respect to consumption tax for each item appearing in the blue return financial statement for business income. Examine the nature of a transaction well whenever actually determining its taxability.

Taxability determination table (for sales, etc. and real estate income)

Account		Taxable/ Not taxable	Items (taxable sales or taxable purchases) not relating to taxable transactions		
Amount of sales (revenue) (including miscellaneous revenue)		Δ	Non-taxable transactions Medical fees paid for by the social insurance system, proceeds from the sale of merchandise coupons, proceeds from land sales, interest income, house rents Transactions excluded from consumption tax Subsidies, benefits, and aids that cannot be valued, Insurance benefits, revenue from transactions effectuated abroad Tax-exempt transactions Revenue from exports		
Cost o	Initial merchandise inventory	×	(Note)		
	Purchases	Δ	Purchase price of land and merchandise coupons; transportation insurance premiums		
go	Subtotal				
Cost of goods sold	Year-end merchandise inventory	×	(Note)		
	Net cost of goods sold				
	Balance				
	Taxes and duties	abla	Enterprise tax, stamp tax, fixed property tax, automobile tax; ordinary membership fees for trade organizations and commercial associations		
	Freight and handling expenses	Δ	International freight		
	Water, heat and light expenses	0			
	Travel expenses and carfare	Δ	International traveling and lodging expenses		
	Communications expenses	Δ	International correspondence and postal expenses		
	Advertising expenses	Δ	Prepaid cards cost		
	Entertainment expenses	Δ	Cash disbursements for expressions of congratulations and condolence, farewell gifts, gift certificates, beer coupons, prepaid cards, etc.		
Б	Cost of supplies	X	Fully excluded from taxable purchases		
nisi	Repair expenses	0			
ess e	Consumables expenses	0	Fully available from toyable much		
Business expenses	Depreciation expenses	×	Fully excluded from taxable purchases (Depreciable asset purchase prices are taxable purchases.)		
SS	Welfare expenses	abla	Statutory welfare expenses such as health insurance premiums, gifts and money for congratulations or condolence (Expenses for recreational trips are taxable purchases.)		
	Salaries and wages	abla	Salaries, bonuses, retirement allowances (travel allowances are taxable purchases.)		
	Subcontractor fees	0			
	Interest and discount expenses	×	Fully excluded from taxable purchases		
	Land and house rents	Δ	Land rents, house rents (Note) Separately qualifies as a deduction		
	Bad debt	×	(Note) Separately qualifies as a deduction relating to bad debt		
	Fees and commissions	Δ	Registration, licensing, patent and other charges prescribed by governmental regulation		
	Miscellaneous expenses	Δ	Compensation for damages		
_	Total				
Reserves	Reserves for bad debts carried back	×			
	Reserve for wage of family employee	×			
	Reserve for bad debts carried over	×			
Income before the special deduction for blue returns					
Special deduction for blue returns		×			
"	Income				

Taxability determination table (for agriculture income)

	Account		Taxable/ Not taxable	Items (taxable sales or taxable purchases) not relating to taxable transactions			
Salas				Tax-exempt transactions			
Revenue	Sales Household			Export transaction and other revenue			
	consumption	Amount	0				
	Business consumption		∇	Business consumption of seeds and seedlings			
	Miscellaneous revenue		Δ	Non-taxable transactions Subsidies, benefits, and aids that cannot be valued, Interest income Transactions excluded from consumption tax Subsidies and insurance benefits on which a value cannot be assigned			
	Subtotal						
	Agricultural commodity	Initial		(Note)			
	inventory	Year- end		(Note)			
_	Total	dution	∇	Povenue stamp tay fixed property tay automobile tay			
	Taxes and duties		\triangle	Revenue stamp tax, fixed property tax, automobile tax Self-sufficient portion			
	Seed/seedling expenses Feeder livestock cost		_	Self-sufficient portion			
	Fertilizer expenses		Δ	Self-sufficient portion			
	Feedstuff expenses		Δ	Self-sufficient portion			
	Farm tool expenses		0				
ĺ	Agricultural chemicals and hygiene expenses		0				
	Various materials		0				
	expenses Repair expenses		0				
	Light, heat	and	0				
	power co		0				
	Apparel exp						
	relief contributions		×	Fully excluded from taxable purchases			
Business expenses	Depreciation expenses		×	Fully excluded from taxable purchases (Depreciable asset purchase prices are taxable purchases.)			
	Freight and handling expenses		Δ	International freight			
	Labor expenses		abla	Labor costs (However, room and board expenses are taxable purchases.)			
Ö	Interest and discount expenses		×	Fully excluded from taxable purchases			
	Land rents and lease expenses		Δ	Land rents			
	Land improvement expenses		∇	Current amount levied, special amount levied relating to roads and waterways			
	Bad debt		×	(Note) Separately qualifies as a deduction relating to bad debt			
	Miscellaneous expenses		Δ	Compensation for damages			
	Subtota	al					
	Inventory other than agricultural	Initial Year-		(Note)			
	expenses for fruit trees and I deducted f	ivestock rom		If deducting revenue derived from the sales of unripe fruits from cultivation expenses, add the amount to taxable			
	necessary expenses Total		\vdash	sales.			
	Balance						
Reserves	Reserves for		×				
	Reserve for wage of family employee		×				
	Reserve for bad debts carried over		×				
Inc	come before the special						
deduction for blue returns							
Sp	Special deduction for blue returns						
Income							
nbols used in the table above.							

(Note)

Sole proprirtors who were Tax-exempt business operators in 2021 or who will become so in 2023 must calculate their comsumption tax adjustment amount.

The following are symbols used in the table above.

- OTransactions relating to taxable sales (purchases)
- ×Transactions not relating to taxable sales (purchases)
- \triangleMost transactions are relating to taxable sales (purchases), however, some are not
- ✓.....Most transactions are not relating to taxable sales (purchases), however, some are