

Special exception for calculating the sales tax amount for small and medium business entities

Difficult to small and medium business entities is possible to separate the sales by the tax rate, of the taxable period, in institutions from October 1, 2019 to September 30, 2023, a certain percentage of sales as a target sales of the reduced tax rate you can calculate the sales tax.

* Small and medium business entities are business entities whose taxable sales amount during a base period does not exceed 50 million yen.

* "Difficulties" in special circumstances represent cases in which tax rate-specific management failed regarding sales during the taxable period to which special treatment applies, where the level of difficulties remains unchanged.

① Special method of the reduced tax rate purchase ratio of retail, etc.

Small and medium business entities engaged in wholesale or retail industry can manage the taxation purchase for each tax rate multiplied by the proportion of taxable purchases required only to a sale is subject to the reduced tax rate as a percentage of taxable sales related to the business, to calculate the revenue to be reduced tax rate system, you can calculate the sales tax.

② Special method of the reduced tax rate sales ratio

By multiplying the percentage of the taxable sales are subject to the reduced rate of the tax same period as a percentage of taxable sales of 10 normal consecutive business days in taxable sales, to calculate the taxable sales that is the subject of the reduced tax rate, you can calculate the sales tax.

* 10 normal consecutive business days can be any given 10 consecutive business days when you conduct ordinary business within a period that you intend to adopt the relevant special exception.

③ Cases with difficulty in calculating the above ratio

Small and medium business entities that have difficulty in calculating the reduced sales rate and mainly transfer assets subject to the reduction may use a rate of 50/100.

* Business entities that mainly transfer assets subject to the reduction means business entities whose taxable sales subject to the reduced tax rate account is nearly 50% or more of taxable sales during the applicable period.

Taxable sales (tax included) subject to the reduced tax rate by calculation under the special exception.

$$\begin{array}{|c|} \hline \text{Taxable sales} \\ \text{(tax included)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{①The reduced tax rate purchase ratio of retail, etc.,} \\ \text{②The reduced tax rate sales ratio or ③50\%} \\ \text{(Cases with difficulty in calculating of ① or ②)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Taxable sales are} \\ \text{subject to the reduced} \\ \text{tax rate(tax included)} \\ \hline \end{array}$$

Process for registry and application for the qualified invoice-based method (the invoice system)

On October 1, 2023, the qualified invoice-based method (the invoice system) as a method to receive tax credit for consumption tax on purchases corresponding to multiple tax rates will take effect.

Under the invoice system, in order for the buyer to receive tax credit for consumption tax on purchases, as a general rule, retention of the "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 an "business issuer of qualified invoice" by the District Director of the tax office of jurisdiction.

Once successfully registered following an examination by the tax office, the registration number and other information will be notified, and information concerning the business operator (name, registration number, registry date) will be published on the "Announcement Site of Business Issuers of Qualified Invoice (of the National Tax Agency)."

[Points that require attention when registering]

Whether or not to be registered is up to the business operator.

Even a taxable business will not be automatically registered. The business operator will need to go through the registration process.

In order to issue a qualified invoice after the system goes into effect on October 1, 2023, as a general rule, the registration process must be completed by March 31, 2023.