

Descriptions and storage of account books, invoices, etc. (from October 1, 2019, to September 30, 2023)

Business entities that make sales and purchases (expenses) of items subject to the reduced tax rate are required to add separate descriptions by tax rate to ones currently required when issuing invoices, etc. (separate accounting invoice) and making entries and other accounting treatments (separate accounting).

Taxable Person are required to store account books in compliance with classified accounting and invoices, etc. with classified descriptions in order to become eligible to tax credit for consumption tax on purchases (Separate accounting invoice-based method(Simplified System)).

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

Ledgers	Invoice, etc.
① Name of the taxable purchase supplier ② Date, month and year ③ Transaction description (Indicating that the reduced tax rate items subject) ④ Price	① Name of the taxable purchase supplier ② Date, month and year ③ Transaction description (Indicating that the reduced tax rate items subject) ④ The tax-Included total amounts of items by tax rate ⑤ Name of the invoice recipient* *Business entities that trade with a large number of unspecified people, such as retail and restaurant business, may omit the descriptions of ⑤ in invoice that they issue.

(Note 1) The storage of account books with necessary descriptions alone can meet the requirements for tax credit for consumption tax on purchases if there are unavoidable reasons for not receiving invoices in transactions, such as small-amount transactions of less than 30,000 yen and purchases from automatic vending machines.

(Note 2) When invoice that are issued by suppliers have no descriptions that read " Items subject to the reduced tax rate " (of ③) or "④ The tax-included total amounts of items by tax rate," the business entities that received such invoice themselves may add descriptions concerning those matters alone, based on the fact of the relevant transaction.

Examples described of ledgers and invoices

請求書	
(株)〇〇御中	
XX年11月2日	
(XX年11月2日取引分)	
割り箸	550円
牛肉 ※	5,400円
合計	43,600円
	(10%対象 22,000円)
	(8%対象 21,600円)
※は軽減税率対象品目	
(株)△△	

The tax-included amounts by tax rate

The tax-included amounts must be described after tallying items by tax rate (10% and 8%).

Indicating that the reduced tax rate items subject

- Marks, such as ※ and ☆, shall be described on items subject to the reduced tax rate.
- It is required to demonstrate clearly that the marks indicate items subject to the reduced tax rate.

総勘定元帳 (仕入れ)		(株)〇〇	
XX年	摘要	借方	貸方
11月2日	(株)△△ 雑貨	22,000	
11月2日	(株)△△ 食料品 ※	21,600	
...

※は軽減税率対象品目

[Invoice]

In addition to the above, there are, for instance, the following methods.

- Classify goods by tax rate and indicate that the classified goods are subject to the reduced tax rate in the same invoice.
- Issue separate invoices for goods by tax rate.

[Ledgers]

Set up a column for tax rate classification and describe "8%" or the tax rate code. These methods are acceptable too.

On October 1, 2023 onward, the qualified invoice-based method (the invoice system) became effective as a method to receive tax credit for consumption tax on purchases corresponding to multiple tax rates. Please refer to page 7 for details.

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

Special method of the reduced tax rate sales ratio

Small and medium business entities that have difficulty in classifying sales into the reduced tax rate and the standard tax rate may calculate the sales tax amount, using taxable sales (tax included) subject to the reduced tax rate that can be obtained by multiplying the taxable amount (tax included) by the rate of taxable sales (tax included) subject to the reduced tax rate during 10 business days, which are part of taxable sales (tax included) during the same 10 normal consecutive business days. The applicable period is from October 1, 2019 to September 30, 2023, in a taxable period.

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

* 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.

* "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.

[Cases with difficulty in calculating the above rate]

Small and medium business entities that have difficulty in calculating the reduced tax rate purchase ratio or the reduced tax rate sales ratio 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 refer to 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.

$$\text{Taxable sales (tax included)} \times \text{The reduced tax rate sales ratio or 50\%} = \text{Taxable sales are subject to the reduced tax rate (tax included)}$$