

## Deadline for filing and paying

The deadline for filing your final consumption and local consumption tax return and paying your tax for 2023 is **Monday, April 1, 2024**.

The deadline for filing the final return for income tax and special income tax for reconstruction and paying income tax and special income tax for reconstruction is **Friday, March 15, 2024**. Please do not get them mixed up.

## Submitting your return form

The following describes 3 ways you can submit your final consumption and local consumption tax return form. See P9 about the documents to submit.

1. **File by e-Tax**
2. **Send it by post or courier ("shinshobin" only) to the Tax office covering your jurisdiction or the Submission Processing Center(\*) applicable to your postal address.**

In case of forwarding by post or courier ("shinshobin" only), forwarder's stamp date is regarded as the submission date.

\* If submitting your return form by post or courier, the date stamped on the envelope is deemed the date of submittal.

\* The National Tax Agency is now applying "centralized handling of internal operations" whereby the internal operations of certain multiple tax offices are centrally processed at a dedicated venue (Submission Processing Center), targeting some limited tax offices. When submitting a tax return or application by postal mail to any tax office that is subject to centralized handling of internal operations, please send it to the applicable Submission Processing Center.

To determine which tax offices are subject to the centralized handling of internal operations, please refer to the website of the National Tax Agency (<https://www.nta.go.jp>).

3. **Hand it in at the reception counter of the Tax office covering your jurisdiction.**

\* You may also place your return in the night deposit box when the Tax office is closed.

\* Note that the document cannot be submitted by bringing it directly to the Submission Processing Center.

\* It is preferable that you use public transportation when visiting the Tax office.

## How to pay your tax

There are various options to handle payment procedures, as shown below. We suggest you use whichever you prefer for completing the payment procedures.

### 1. Cashless payment

It is convenient to you a cashless payment option (explained below) to pay national taxes.

Please refer to the website of the National Tax Agency (<https://www.nta.go.jp>), for detailed contents of each payment procedure.

#### (1) Tax payment by transfer account

The tax payment by transfer account takes your amount of tax due directly from a deposit or savings account at a financial institution designated by you and deposits it in the national treasury.

Sole proprietors using the tax payment by transfer account are asked to verify the balance in their account to ensure a smooth transfer of funds.

The date for 2023 consumption and local consumption tax automatic transfers is **Tuesday, April 30, 2024**.

This system can only be used by Sole proprietors who have submitted their return form by the deadline for filing.

\* Among those who wish to keep using the transfer account before relocation at the time the tax office of jurisdiction has changed due to relocation, etc., if he/she ① puts a circle in the space "(For individuals) Having continued, will use account transfer or not?" on Page 1 of the return form; or if he/she ② submitted the "Application of transfer or change of place for tax payment for income tax / consumption tax" that contains his/her wish to keep paying tax via a transfer account after the relocation as well, there is no need to once again pursue procedures for tax payment via a transfer account.

\* You must complete the necessary application for the automatic transfers of consumption and local consumption taxes, even if you already applied for the automatic transfers of your income tax and special income tax for reconstruction.

#### (2) Direct Payment (Account transfer via e-Tax)

If you have pursued the procedures to start using e-Tax at the relevant tax office in advance and submitted a designated application to the tax office or financial institution you will use, you can pay taxes from the deposit and savings account in the taxpayer's name immediately or on the designated date by account transfer.

#### (3) Payment via Internet banking or at ATM

By registering or entering the relevant payment-related information, you can pay taxes via Internet banking or at an ATM.

#### (4) Payment by credit card

Payment can be made on a dedicated webpage using the Internet.

#### (5) Payment by smartphone app

This is a method allowing payments to be made online, using a smartphone app for payment from the "Smartphone Payment-dedicated Site."

\* The limit on amounts payable at any one time is up to ¥300,000.

\* The prepaid balance needs to be charged in advance.

### 2. Payment methods other than cashless payment

This category includes the following methods:

#### (1) Cash payment at convenience stores using QR code

You can create and print the QR code including information necessary for payment in "Filing assistance on the website of the National Tax Agency (Japanese version only)" section or the "Screen for creating a QR code to be used for payment at convenience stores" on our website at home, etc., and you can pay taxes at convenience stores by using it.

\* Amount that may be settled will be limited to under ¥300,000.

\* "QR code" is the product name of DENSO Corporation.

#### (2) By presenting cash and your tax payment slip to the financial institution or to the Tax office covering your jurisdiction by due date for tax payment

Sole proprietors paying their tax in person should visit their nearest financial institution or the Tax office covering your jurisdiction by the due date for tax payment.

Make sure to present your tax payment slip when paying your tax. If you don't have a tax payment slip, please use the ones available at any financial institution or Tax office. If there is no tax payment slip at the financial institution, please contact the Tax office covering your jurisdiction.

\* After you have filed your return form, no tax payment slips or notices will be sent from the Tax office.

### We recommend the tax payment by transfer account

The due date for application for the tax payment by transfer account for 2023 consumption and local consumption taxes is **Monday, April 1, 2024**.

If you submit it in writing, please fill out the "Application (notification of charge) for tax payment by transfer account" on page 48 and submit it to the competent Tax Office or to the financial institution.

Please note that the receipt is not issued when you use this system.

To ensure payments of consumption tax and local consumption tax within due date, you are advised to make proper preparations in advance, such as systematic accumulation of funds for tax payment, etc. Advance payments using direct payment may be convenient for accumulating funds for tax payment.

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

## Should you be late in paying your taxes

If you paid your taxes after the due date or, for users of the tax payment by transfer account, if the transfer was rendered impossible due to an insufficient balance in your account, delinquent tax will be levied starting on the day after the due date. For such a case, you must pay your principle amount of tax in addition to the delinquent tax in person at your nearest financial institution or the tax office covering your jurisdiction.

The delinquent tax is calculated as follows for returns submitted by April 1st, 2024.

From April 2nd to June 1st, 2024	"7.3% per annum" or "Special Standard Rate for Delinquent Tax + 1%", whichever is lower
On or after June 2nd, 2024	"14.6% per annum" or "Special Standard Rate for Delinquent Tax + 7.3%", whichever is lower

\* Special Standard Rate for Delinquent Tax is the rate calculated by adding 1% a year to the rate announced by the Finance Minister by November 30 of the preceding year as the rate obtained by dividing the total of new short-term average contractual interest rate on bank loan of each month from September of the second preceding year to August of the preceding year by 12.

Should the overdue amount remain unpaid, you may be subject to procedures for default of tax payment including the seizure of assets. Please exercise caution.

\* The delinquent tax calculation may vary if filing after the deadline or submitting an amended return. Contact the Tax office covering your jurisdiction for details.

\* In case any special circumstances apply and render the taxpayer unable to pay by the due date, grace may be allowed by submitting an application. In this case, please consult the tax office covering your jurisdiction (collection section) as soon as possible.

## If there is a mistake in the amount of tax calculated in the final tax return

Please make corrections to the content of your return using the following methods.

	Method of Correction
When tax amount, etc. included in return is actually less than what it should be	File " <b>amended return</b> " to correct amount.
When tax amount included in return is actually greater than what it should be	You can request a correction to the tax return in order to correct amounts.

\* If an incorrect return amount is not voluntarily corrected, a District Director of Tax Office will correct it.

\* In principle, a request for correction is allowed within 5 years from the statutory tax return due date.

\* Furthermore, irrespective of it being necessary to file a tax return, in case where there is no final tax return filed, a District Director of Tax Office will decide on the amount of tax base and tax payable. Please note that in cases where the District Director of Tax Office corrects or makes a determination on a return and cases where returns are filed after the filing deadline, an additional tax may be levied, and you will be required to pay your tax and any delinquent tax together.

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## Income tax adjustment

The following explains the adjustment method using the "tax included" or "tax excluded" accounting method.

The income tax adjustment method after calculating the amount of consumption and local consumption taxes (herein, "consumption tax, etc.") payable or refundable varies depending on the accounting method.

### If applying the "tax included accounting method"

As a rule, the amount of consumption tax, etc. payable or refundable is added to necessary expenses or total revenue after calculating the income derived from business, real estate, timber, etc. (herein, "income from business") is the accounting year under which the date of filing the consumption and local consumption tax return forms.

In the event an amount of consumption tax, etc. payable or refundable is treated as an entry in accounts payable or receivable, Sole proprietors now have the option to include that amount in business expenses or total revenue after calculating the income from business generated in the accounting year relating to that account payable or receivable.

### If applying the "tax excluded accounting method"

If applying the "tax excluded accounting method", the amount representing the difference between the consumption tax, etc. determined using the simplified tax system and the amount resulting from subtracting the temporary consumption tax payable from the temporary consumption tax receivable at the end of the taxable period should be added to the total revenue or the necessary expenses in the amount of business income, etc. for that taxable period. Please refer to the website of the National Tax Agency (<https://www.nta.go.jp>) for inquiries pertaining to income tax adjustments by Sole proprietors who operate a business that generates 2 or more types of income.

#### What a "tax included" and "tax excluded" accounting methods?

The tax included accounting method treats the value of a transaction relating to consumption tax, etc. as including the amount of consumption tax, etc. The method treats the amount of tax consumption tax, etc. relating to the taxable sales, taxable purchases, etc. including it in the sales amount or purchases amount.

The tax excluded accounting method treats the value of a transaction relating to consumption tax, etc. by first separating it from the amount of consumption tax, etc. The method treats the amount of consumption tax, etc. by establishing an account of temporary receipts of consumption tax, etc. or of temporary payments of consumption tax, etc., excluding it from the sales amount or purchase amount.