

## 2-10 STEP 6 Items about inhabitant taxes and enterprise taxes regarding the Page 2

Those who have filed final returns for income tax etc. are not required to submit returns for the inhabitant tax and the enterprise tax additionally because the data for said final returns for income tax etc. will be forwarded to local public entities. However, as for the following items, please fill out as appropriate in the "Items about inhabitant taxes and enterprise taxes [住民税・事業税に関する事項]" on the Page 2, since the treatment of those items is different between the inhabitant tax, the enterprise tax and income tax etc.

**Please contact your local municipal office for more detail.**

The prefectural or municipal authorities will calculate each individual's tax amount, based on the figures in the final return for income tax etc., and notify taxpayers directly.

For persons with no obligation to file final returns for income tax etc., there is generally a requirement to file returns for the inhabitant tax with the local municipality and to file returns for the enterprise tax with the prefectural government.

### 1 Names and addresses of spouses and dependents covered by the exemptions and family employees not residing with the taxpayer

[別居の控除対象配偶者・控除対象扶養親族・事業専従者の氏名・住所]

- Write the names and addresses of any spouse and dependents covered by the exemptions and family employees not residing with you, in the appropriate section on the Page 2.

### 2 Family employees treated as spouses, etc. covered by the exemptions for income tax

[所得税で控除対象配偶者などとした専従者]

- In the case that a report of full-time family employees' salaries is not submitted to the Tax Office for certain reasons, and if they are not declared as a family employee for the income tax etc. return, they can be treated as a family employee of an employer filing a blue return for inhabitant and enterprise tax purposes even if they have been designated as eligible for the exemption for spouses or other dependents for income tax purpose. The requirements for "family employee of blue return" for local tax purpose are same as income tax.
- If you have any such employees, you must write their name and amount of wages in the appropriate column on the Page 2.

### 3 Inhabitant taxes

[住民税]

#### a) A spouse living in the same household [同一生計配偶者]

If you have a **spouse living in the same household** (see page 39) other than a **spouse covered by the exemption** (see page 39), write the spouse's name, Individual Number (My-Number) (if he/she has), date of birth, and address if he/she does not reside with you.

#### b) A dependent under the age of 16 years [16歳未満の扶養親族]

If you have a dependent under the age of 16 years who is not eligible for the exemption for a dependent (see page 40), please write the dependent's name, Individual Number (My-Number) (if he/she has), relationship with you, date of birth, and address if he/she does not reside with the taxpayer.

\* In case a dependent under the age of 16 years does not possess an address within Japan, and you are subject to tax exemption threshold system for inhabitant tax, a set of "Documents Concerning Relatives" and "Documents Concerning Remittances" (see page 68) pertaining to the said relative must be submitted to the municipality where your address is located, by March 15, 2019.

However, if these sets of documents were attached to a return for inhabitant tax, application for dependent of employment income earner or recipient of public pensions, etc. when these documents were submitted, there is no need to submit them again separately.

**c) Special provisions for computing dividend income [配当に関する住民税の特例]**

“Small-lot dividends” etc., from unlisted stocks which you have chosen not to report in your tax return of income tax etc. (see page 56) are aggregated with other income and inhabitant tax is imposed on the aggregated income.

Following the formula below, write the amount entered in the box  in the appropriate columns on the Page 2.

Amount of dividend income (block ⑤ on the Page 1)	yen	A
Small-lot dividends, etc., from unlisted stocks you opted not to report on your return.	yen	B
Special provisions for computing dividend income (A + B)	yen	C

**d) Special treatment for non-residents[非居住者の特例]**

As for those who have non-residents period during 2018, inhabitant tax is not charged on the domestic source income which accrued during that period. Write the amount of such domestic source income subject to the separate taxation at source in the appropriate section on the Page 2.

**e) Deduction of allocated dividend amount [配当割額控除額]****Amount of deduction for income received from transfer of stocks, etc. [株式等譲渡所得割額控除額]**

Regarding the amount of the so-called “specific dividend etc.” from which the prefectural inhabitant tax dividend rate (5% of the tax rate) is specially withheld during 2018 and the amount of the so-called “income received from transfer of specific stocks etc.” from which the prefectural inhabitant tax for income received from transfer of stocks, etc. (5% of the tax rate) is specially withheld during 2018, ① in the event that the amount of withholding income tax was not included in the final income tax return because of your choice, the amount for inhabitant tax will be considered as being part of special withholding, and ② in the event that the amount of withholding income tax was included in the final income tax return and a deduction or refund of the withholding income tax etc. is received, a deduction or refund for the amount specially withheld for inhabitants tax will also be receivable. Thus, if you include the amount of such specific dividend etc. or income received from transfer of specific stocks etc. in your final income tax return, please write the amount of the prefectural inhabitant tax dividend rate and amount of deduction for income received from transfer of stocks, etc. in the respective column of “deduction of allocated dividend amount” and “amount of deduction for income received from transfer of stocks, etc.” on the Page 2.

- Please note that in the case of ① above, the total amount of income determined for “exemption for spouses,” “exemption for dependents,” etc. does not include the amount of income related to the specific dividend, etc. and the amount of income received from transfer of specific stocks, etc.
- In the case of ② above, if municipal authorities have decided on awarding a refund to you for specially withheld tax after calculating your amount of tax, you will be notified by your municipality concerning the decision and procedure for receiving your refund.
- When selecting a taxation method different from income tax etc. for income related to specific dividend etc. and specific income received from transfer of stocks etc., it is necessary to file a return for inhabitant tax to your municipal authorities.

## f) Deduction for donations [寄附金税額控除]

Write the each amount of the donations regarding, ① hometown tax (donations to prefectures or municipalities), ② donations to the Japan Red Cross Society or local chapters of the community chest where you were a resident as of January 1, 2019, ③ donations specified in ordinance of the prefecture where you were a resident as of January 1, 2019, and ④ donations specified in ordinance of the municipality where you were a resident as of January 1, 2019.

\* For a donation made as charity fund relating to the Great East Japan Earthquake to a fundraising organization or Kumamoto Earthquake Disaster Charity Fund, such as the Japanese Red Cross Society or Central Community Chest of Japan, which is finally distributed to the local governments which suffered disasters or charity fund distribution committee, please specify it in the “prefectures or municipalities.”

For example, if you misplaced the amount of your donation made to the Japanese Red Cross Society as the support money for the Kumamoto Earthquake Disaster in the field of “Community chest or local chapter of Japan Red Cross Society in area of domicile,” instead of “Prefectural/municipal portion,” the amount of tax credit for donation cannot be correctly calculated.

\* Regarding ③ and ④, if you have donations specified by both prefectures and municipalities, please write the both amount in the appropriate section.

\* Among donations made to NPO, etc., other than certified NPOs, etc., a certain donations specified by the ordinance of prefectural/city governments or local governments of the location of your address can be eligible for tax credit for individual inhabitants tax purposes, while not eligible for income tax deduction. In order to take such tax credit, separate filing should be made to local governments.

(Example) In the case that donations were paid to entities (1) through (6)

1) ●● Prefecture (hometown tax)	80,000 yen
2) ▲▲ City (hometown tax)	40,000 yen
3) Local chapter of Japan Red Cross Society in area of domicile	90,000 yen
4) Community chest in prefecture of domicile (social welfare corporation)	20,000 yen
5) Social welfare service corporation (specified by ordinance of the prefecture of domicile)	55,000 yen
6) Certified NPOs △△ (specified by ordinance by both the prefecture and municipality of domicile)	5,000 yen

- ☐ A In the “Prefectural/municipal portion” box, enter (1) and (2). (1)+(2)= 120,000 yen
- ☐ B In the “Community chest or local chapter of Japan Red Cross Society in area of domicile” box, enter (3) and (4). (3)+(4)= 110,000 yen
- ☐ C In the “Prefecture” box under “Specified by ordinance,” enter (5) and (6). (5)+(6)= 60,000 yen
- ☐ D In the “Municipality” box under “Specified by ordinance,” enter (6). 5,000 yen

Tax credit for donations	Prefectural/municipal portion		yen
			120,000
	Community chest or local chapter of Japan Red Cross Society in area of domicile		110,000
	Specified by ordinance	Prefecture	60,000
		Municipality	5,000

☐ A  
☐ B  
☐ C  
☐ D

\* Because the amount of donations in (6) is included in the fields for both Prefecture and Municipality, the aggregate amount of (1) through (6) will not be the same as the aggregate amount of A through D.

## g) Means of payment of inhabitant tax on income other than employment income and miscellaneous income from public pensions etc. [給与・公的年金等に係る所得以外の住民税の徴収方法の選択]

You may choose to use a method of payment for the inhabitant tax related to the income other than employment income or income from public pension etc. (if the person is under 65 years of age as of April 1, 2019, other than employment income).

Those who choose deduction from a salary are requested to check the “Deduction from Salaries”[給与から差引き] box on the Page 2. Those preferring to not have the tax deducted from a salary but rather to personally make the payment separately at an appropriate payment counter or other location are requested to check the “Self Payment”[自分で納付] box.

The inhabitant tax due on the employment income and income pertaining to public pensions etc. for persons aged 65 years or older as of April 1, 2019, will be deducted from the salaries and public pensions etc. respectively. Please see “Notification from Local Governments” on page 65 of this guide about the special collection of individual inhabitant’s taxes of income from public pensions.

## 4 Enterprise tax

### a) "Tax-exempt income, etc."

The tax rate of enterprise tax varies according to the type of business. Some businesses are exempt from tax. Individuals with income applicable to sections (i) and (ii) below should tick the relevant number and write the amount on the Page 2, here: "tax-exempt income, etc." [非課税所得など].

Regarding enterprise tax, you can't claim the special exemption for the blue returns. Please write the amount, prior to this special exemption.

(i) Individuals who run no less than two kinds of business have income from any of the following:

- 1) Income from livestock rearing (except when practiced in conjunction with agriculture)
- 2) Income from fisheries (excluding the small-scale picking or catching of marine flora and fauna)
- 3) Income from manufacturing of charcoal
- 4) Income from massage, acupuncture, acupressure therapy, moxibustion, judo-physiotherapy or any other variety of medical enterprise (However, enterprise taxes will not be imposed when business is conducted by persons whose combined vision has failed or whose combined vision (corrected eyesight) is 0.06 or less. In the case, please fill out "10.")
- 5) Income from blacksmithing.

(ii) Those with the following tax-exempt income

- 6) Income from forestry
- 7) Income from mining or mineral ores
- 8) Income from social insurance payments or reimbursements for medical expenses
- 9) Income from overseas enterprises (income derived from offices, etc. outside Japan)
- 10) Income derived from individual enterprises laid down in article 72-2 of the Local Tax Law (see page 55)

### b) Real estate income prior to application of the special treatment regarding aggregating profit and loss

If you incurred the amount of interest on liabilities to acquire land (see page 19), etc., write the amount of real estate income when such interest is included in necessary expenses ("the amount of real estate income prior to application of the special treatment regarding aggregation of profit and loss (see page 25) as it pertains to income taxes.")

### c) Special exemption for blue returns subtracted from real estate income

If you have applied this special exemption, you should write this amount on the Page 2, here: "special exemption for the blue returns subtracted from the real estate income [不動産所得から差し引いた青色申告特別控除額]."

### d) Losses from the sale of business assets etc.

Losses from the sale of business assets, such as machinery, vehicles (but not land, structures, buildings or intangible fixed assets) within one year of cessation of use for business upon which enterprise tax has been imposed, may be deducted when calculating your enterprise tax. The deduction applies only to those filing a blue return. On condition that a return is consecutively filed for the subsequent years, the amount of the losses may be carried over to the following three years for enterprise tax purposes.

Write the amount of the loss on the Page 2, here: "losses from the sale of business assets etc. [事業用資産の譲渡損失など]."

If your business income is in deficit as a result of losses from damage to inventory or business assets through natural disasters, you may carry over the amount of losses to the next three years, on condition that you file a return consecutively for the following years. Write the amount of the loss on the Page 2, here: "losses from the sale of business assets, etc. [事業用資産の譲渡損失など]."

### e) Establishment or closure of a business in the previous year

If you established or closed-down a business during 2018, circle the section on the Page 2 titled: "establishment or closure of business in the previous year [前年中の開(廃)業], " and write the day and month of establishment or closure.

### f) Those with offices, etc. in other prefectures

Enterprise tax will be imposed according to the location of the business. If there are offices in several different prefectures ("prefectures" including Tokyo), the amount of income will be taxed proportionally according to the number of staffs in each office, etc. If you have a business with offices, etc. in more than one prefecture, you must indicate this by drawing a circle on the Page 2, here: office(s), etc. in other prefecture(s) [他都道府県の事務所等].

\* The businesses and professions laid down in article 72-2 of the Local Tax Law are as follows:

- |                       |   |  |
|-----------------------|---|--|
| • Goods selling       | • Money exchange  | • Legal secretary                                  |
| • Insurance           | • Public bathes   | • Administrative secretaries                       |
| • Financial loans     | • Impresarios   | • Notary public                                    |
| • Goods lending       | • Gaming houses   | • Patent attorneys                                 |
| • Real estate renting | • Resort management   | • Tax accountants                                  |
| • Manufacturing       | • Commodity dealers   | • Certified public accountants                     |
| • Electricity supply  | • Real estate selling   | • Public accountants                               |
| • Quarrying           | • Advertising   | • Public consultants on social and labor insurance |
| • Telecommunications  | • Private detectives  | • Consultants                                      |
| • Transport           | • Guides  | • Site managers                                    |
| • Transport (other)   | • Wedding and funeral parlors   | • Real estate appraisers                           |
| • Anchorage           | • Livestock   | • Designers  |
| • Storage             | • Marine products   | • Traditional crafts teachers                      |
| • Parking             | • Charcoal burning  | • Hairdressers                                     |
| • Service Contracting | • Medicine  | • Beauticians                                      |
| • Printing            | • Dentistry   | • Dry cleaners                                     |
| • Publishing          | • Druggists   | • Dental hygienists                                |
| • Photography         | • Massage, acupuncture, acupressure, therapy, moxocautery judo-physiotherapy and other medical services | • Dental technicians                               |
| • Seat renting        |   | • Registered surveyors                             |
| • Inn keeping         |   | • Land and building surveying                      |
| • Restaurants         |   | • Marine agents                                    |
| • Eating-houses       |   | • Printing and platemaking                         |
| • Middleman           |   |  |
| • Agents              |   |  |
| • Intermediaries      |   |  |
| • Wholesaling         |   |  |

If there is anything you do not understand about enterprise tax, please contact your local prefectural Tax Office. Please note that you may be contacted by your prefectural Tax Office and asked to provide information related to enterprise tax such as details of the locations of other offices, etc. and number of employees at the end of each month, etc.