### **3-12 Notification**

#### O Attached documents for tax deductions for medical expenses

When applying for a deduction for medical expenses starting from the final return for 2017, you are required to attach the "Detailed statement of medical expense deduction" (or the "Detailed statement of self-medication taxation system" for the application of the self-medication taxation system). Receipts of medical expenses are not required to be attached or presented.

However, receipts should be kept at home as a Tax Office may request the presentation or submission of receipts (excluding those relating to a notice of medical expenses) for confirming information stated on the detailed statement in a five-year period from the due date of final returns.

\* Receipts can alternatively be attached or presented until the final returns for 2019.

#### O Please make sure to declare hometown tax (deduction for donations).

Even though a taxpayer has submitted an application for the "hometown tax payment one-stop special procedure system," the taxpayer is required to include all hometown tax paid in the calculation of the deduction for donations and to report this when hometown tax is paid to more than five municipalities or when an income tax return is filed due to, for example, a deduction for medical expenses.

#### \* Hometown tax payment one-stop special procedure system

If hometown tax is paid to not more than five municipalities, and an application is submitted for the special procedure system to each municipality receiving hometown tax, a taxpayer is eligible for a deduction for donations from inhabitant tax for the hometown tax without filing a final return.

# A reduced tax rate system for consumption tax will be implemented beginning October 1, 2019

Owhen preparing a book in routine accounting activities, it is necessary to perform separate accounting according to the tax rate for each of sales or purchase transactions (reduced tax rate of 8% or standard tax rate of 10%).

## Points changed for preparing a consumption tax return form

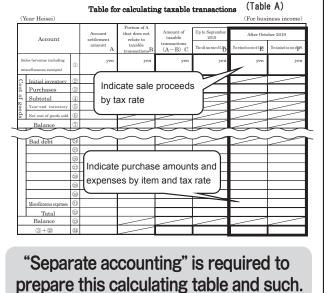
In preparing the "Table for calculating the taxable sales ratio and deductible tax on purchases (Schedule 2)" and "Table for calculating taxable transactions" of the Consumption and Local Consumption Taxes Final Return, calculations must be implemented separately for 8% and 10% tax categories.

- ○If sales include those of an item subject to the reduced tax rate, it is necessary to issue an invoice in which tax-inclusive prices totaled according to different tax rates (invoices with classified descriptions).
- Even a tax-exempt business could potentially be required to issue invoices with classified descriptions.

#### Items subject to the reduced tax rate

Food and drink excluding alcoholic drink and dining out
Newspapers issued more than twice a week (those based on subscriptions)

⇒For details, access our website (www.nta.go.jp).



[Examples of Tax documents after the implementation of the system]