

## 3-12 Notification

### ○ Documents attached to forms

Regarding final tax returns and amended tax returns that will be filed on and after April 1, 2019, the withholding tax statement and other documents in the following do not need to be presented or attached.

However, it is required to describe contents of the withholding tax statement and others in the forms, etc.

When preparing a tax return, etc. at a tax office, the withholding tax statement and others are necessary, and please make sure to bring them.

(Documents not necessary to be attached.)

- Withholding tax statements of salary, retirement income, public pensions, etc.
- Payment notice for distribution of revenues of open-type securities investment trusts.
- Payment notice concerning amounts considered to be dividends, etc.
- Payment notice for dividends on listed stocks, etc.
- Special account annual transaction report
- Annual transaction report on accounts of minors
- Payment notice of redemption money of specified discount bonds
- Documents that describe the amount of inheritance tax and details of each asset with taxable price related thereto when applying for "Special case for taxation of transfer income related to inheritance"

### ○ Expansion of special credit for loans, etc. related to a dwelling

Regarding special credit for loans, etc. related to a dwelling, revisions have been made to the effect that if acquisition, etc. of a house or additions or improvements of a house falls into special and specified acquisition (\*), and if the house starts to be used as a dwelling on and after October 1, 2019, and certain conditions are met, the deduction period is extended from 10 years to 13 years.

For details, please access "Those applying for special credit for loans, etc. related to a dwelling (new construction, purchase, etc.)" or "Those applying for (specified additions or improvements) special credit for loans, etc. related to a dwelling (additions or improvements of a house, etc.)."

(\*) "Special and specified acquisition" is acquisition of a house or additions or improvements of a house in the case that the amount of consumption tax, etc. that are included in the consideration, etc. of construction, acquisition of or additions or improvements of the house is subject to a 10% tax rate.

### ○ (Special) exemption for spouses has been revised since the filing for 2018

- ① Exemption for spouses can be applied according to the total income of a person filing a tax return in addition to the total income of the spouse. Please note that if the total income of a person filing a tax return exceeds 10 million yen, the person is not eligible to exemption for spouses.
- ② The amount of special exemption for spouses has been revised, and the total income of the relevant spouse has become between over 380,000 yen and less than 1230,000 yen. (Before the revision: Between over 380,000 yen and less than 760,000 yen).

### ◎ 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.

### ◎ 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**

A reduced tax rate system for consumption tax will be implemented simultaneously with the consumption tax rate hike to be scheduled on October 1, 2019.

◇ **Consumption tax rate**

- (1) Standard tax rate 10% (Consumption tax rate 7.8%, Local consumption tax rate 2.2%)
- (2) Reduced tax rate 8% (Consumption tax rate 6.24%, Local consumption tax rate 1.76%)

◇ **Items subject to the reduced tax**

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

For details, access our website ([www.nta.go.jp](http://www.nta.go.jp)).

### 3-13 Notification from Local Governments

For further details, please contact your local government office.

◎ **Regarding the necessity of individual inhabitant tax return filing accompanying non-requirement of tax return filing applicable to pension recipients.**

Pension recipients who are not required to file tax returns of income tax etc. (see page 22) are still required to file individual inhabitants tax returns if the below conditions are met:

- ① Those who only have miscellaneous income relating to public pensions etc. and will take various deductions other than deductions indicated on “withholding tax statement for public pension payments etc.” (deduction for social insurance, exemption for spouse, exemption for dependents, basic exemption, etc.); or
- ② Those who have any income other than the miscellaneous income from your public pensions.

◎ **Special collection (deduction) of individual inhabitant tax on income from public pensions etc.**

In principle, for those who are already subject to special collection for fiscal year 2019 will continue to pay taxes under the special collection framework. For those reaching the age 65 at the dates of birth from April 3, 2019 through April 2, 2020 will be newly subject to the special collection framework from fiscal year 2020.

◎ **Dividend income concerning listed stocks etc.**

Regarding dividend income concerning listed stocks, when a taxation method selected for individual inhabitant tax is different from the taxation method for income tax etc. (including cases where dividend income concerning listed stocks is not declared for individual inhabitant tax purposes), an individual inhabitant tax return needs be filed.

◎ **Special tax credit system for loans, etc. related to a dwelling in individual inhabitant tax**

If the full amount of special credit for loans, etc. related to a dwelling (see page 43), cannot be deducted from income tax the remaining amount may be deducted from individual inhabitant tax for the following year (for fiscal year 2020).

To claim the treatment of this system, please be careful that it is needed to submit a final return for receiving special credit for loans, etc. related to a dwelling to the Tax Office in the district where you stayed or resided by Monday, March 16, 2020 in principle. Those who applied this system through the year-end adjustment are not required to submit such a final return.