

## 3-12 Notification

### ○ Documents attached to forms

Regarding final tax returns and amended tax returns, the withholding tax statement and other documents in the following do not need to be presented or attached.

However, if you are planning on preparing a tax return at the Tax Office, please do not forget to bring the withholding tax statement and others with you.

(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"

### ◎ 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.

### 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 12) 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 2022 will continue to pay taxes under the special collection framework. For those reaching the age 65 at the dates of birth from April 3, 2022 through April 2, 2023 will be newly subject to the special collection framework from fiscal year 2023.

◎ **Selection of taxation method for reporting dividend income and transfer income related to listed stocks**

If you choose to be subject to aggregate taxation or separate taxation for individual inhabitant tax purposes with respect to dividend income related to listed stocks, you are required to submit a final tax return or individual inhabitant tax return by the time the tax notice is sent.

If you choose to be subject to separate tax filing for individual inhabitant tax purposes with respect to transfer income related to listed stocks, similar to the above, you will need to submit a final tax return or individual inhabitant tax return by the time the tax notice is sent. If you choose to be tax exempt, you can carry forward the amount of loss on transfer that cannot be fully deducted even after totaling the profit and loss for the following three years, but in order to apply for the individual inhabitant tax, it is necessary to submit a final tax return or individual inhabitant tax return stating the matters related to the loss on transfer every year consecutively by the time the tax notice is sent. With respect to dividend income and transfer income related to listed stocks, it is possible to choose a different taxation method from that of income tax for individual inhabitant tax purposes.

In such cases, you will need to submit an individual inhabitant tax return separately from your final tax return before the tax notice is sent (see page 54).

◎ **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 cannot be deducted from income tax (see page 44), the remaining amount may be deducted from individual inhabitant tax for the following year (for fiscal year 2023).

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. Anyone who received this deduction through the year-end adjustment is excluded from this system.