Guide to Japanese Taxes and System of Certified Public Tax Accountants

Tokyo Certified Public Tax Accountants' Association

Contents

PREFACE

Looking back on Japan's tax system and tax administration, before World War II it was widely thought that, even if a certain aspect of administration did not function well, it could be compensated by an ex-post facto remedy. In 1942, the Tax Practitioners Law was enacted, giving birth to the system of publicly licensing the profession of tax practitioners to assist taxpayers, but the emphasis was rather on its institutional role to support the tax administration.

In 1947, along with the postwar wave of democratization, Japan introduced a self-assessment system under which taxpayers pay taxes by filing returns based on their own calculation of their incomes, replacing the existing system of official assessment. Further in 1949, an American inspection mission headed by Dr. Carl S. Shoup visited Japan to conduct surveys on the Japanese tax system and presented the Japanese government with a set of recommendations for its modernization, known as the "Shoup Report," which became the foundation of today's Japanese tax structure. The recommendations called for a tax structure that was direct tax-oriented as opposed to the then-existing indirect tax-oriented structure, and proposed the strengthening of the system of self-assessed taxation.

Following said recommendations, the present Certified Public Tax Accountants Law was enacted in 1951 to replace the Tax Practitioners Law, assigning certified public tax accountants as tax professionals for the mission of supporting the self-assessed taxation system from an independent and impartial position. Furthermore, based on the Shoup recommendations, the present tax structure consists of direct taxes such as income tax and corporate tax as its center, with indirect taxes as supplementary. In the following years until today, the present tax system has evolved through a number of reforms and amendments.

As the title of this pamphlet indicates, its purpose is to provide non-Japanese with an easy-to-understand explanation of Japan's current tax system. At the same time, it presents a simple outline of the Japanese system under which certified public tax accountants as non-governmental tax professionals act as agents for taxpayers and support the country's tax administration. Even with this pamphlet, foreigners may have difficulty understanding the tax system particularly because of complexities due to tax treaties and other special taxations, such as transfer pricing taxation, low capitalization taxation and tax haven taxation. In such complicated cases, please feel free to consult a certified public tax accountant.

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1. Tax Administration System

Tax administration in Japan is classified into national tax and local tax, depending on the taxing body. National and local governments each carry out administrative work for various tax items as outlined below.

(1) Structure of National Tax

Under the National Tax Agency, an external bureau of the Ministry of Finance, there are eleven (Sapporo/ Sendai/ Kanto-koshinetsu/ Tokyo/ Kanazawa/ Nagoya/ Osaka/ Hiroshima/ Takamatsu/ Fukuoka/ Kumamoto) Regional Taxation Bureaus nationwide in addition to the Okinawa Regional Taxation Office, under which 524 tax offices operate to conduct tax administrative work. Taxpayers are required to file returns and pay national taxes such as personal income tax, corporate tax and consumption tax to the local tax office that has jurisdiction over their local area.

(2) Structure of Local Tax

Local Taxes are administered by the Local Tax Bureau, an internal branch of the Ministry of Internal Affairs and Communications, which is responsible for planning local taxes such as prefectural tax and municipal tax and for determining/attributing which governmental body has the right to levy taxes. However, the actual taxation work is conducted by each local government that has the right of taxation. The prefectural tax offices and tax departments in the municipalities (cities, wards, towns and villages) are in charge of levying and collecting prefectural tax and municipal tax, respectively.

(3) Principle of No Taxation Without Law

Article 30 in the Japanese Constitution rules that “The people shall be liable to taxation as provided by law.” Article 84 states that “No new taxes shall be imposed or existing ones modified except by law or under such conditions as the law may prescribe,” thereby declaring the state’s “principle of no taxation without law.” This clarifies the thinking that since taxation is a means to transfer a portion of the people’s wealth to the state’s coffer to procure funds for public services, levying and collecting taxes must be conducted based on the law.

(4) Self-Assessed Taxation System

① Methods for Establishing Tax Liability

In establishing tax liability, there is, in addition to the self-assessment method and the official assessment method, another method in which tax liability is determined.

Under the self-assessment method, the amount of tax to be paid is generally determined based on the taxpayer’s declaration, and is applied to most major taxes: national taxes such as personal income tax, corporate tax, consumption tax, inheritance tax, gift tax, and local taxes such as corporate inhabitant tax and enterprise tax.

Under the official assessment method, the amount of tax to be paid is determined based on assessment by tax administration officials, and is applied to taxes such as value added tax in national taxes, and property tax and automobile tax in local taxes.

In addition, when one is deemed tax liable, additional procedures are not necessary to determine the payment amount for withholding taxes and stamp taxes, etc.

Thus, taxation in Japan is mainly based on the self-assessment system.

The self-assessment method is a system where the taxpayer autonomously calculates and pays the tax required, which can be seen as an embodiment of the ideology of the Japanese Constitution which bases its fundamentals on the sovereignty of the people.

② Filing Tax Returns and Request for Correction

The following are the classifications for filing tax returns

a) Filing Returns within the Fixed Time Limit

Taxpayers paying taxes under the self-assessment system must file tax returns by the statutory due date. Returns filed according to this provision are called tax returns filed within the fixed time limit.

b) Filing Returns After the Fixed Time Limit

Those who have failed to file returns within the fixed time limit may file returns after the due date if the decision by the District Director of the Tax Office has not yet been made.

c) Filing Amended Returns

Those who have filed tax returns and have received decisions on tax corrections may file amended returns if the amount on the original tax return was understated, as long as it is before correction by the District Director of the Tax Office has been officialized.

d) Request for Correction

Those who have filed tax returns where the tax amount was excessive, may make a request for a correction of the tax amount to the District Director of the Tax Office within five years of the statutory due date of tax returns. (The deadlines for requests for correction for tax returns reaching statutory due dates before December 2nd, 2011 were one year after the statutory due dates for returns.)

③ The Blue Return System

By filing for returns with the Blue form, taxpayers complete with a required set of books and records will be entitled to various privileges in filing for personal income tax and/or corporate tax, upon approval by the District Director of the Tax Office.

This system is offered to encourage the penetration of the self-assessment system and to promote the practice of bookkeeping.

④ e-file

For filing returns, paying taxes, making applications and notifications for national taxes, taxpayers can choose electronic filing using the internet or e-filing also known as e-Tax.

(5) Tax Inspection and the Relief System

① Tax Inspection and Corrections/ Decisions

While in principle the taxpayer's tax assessment is determined by the returns filed by the taxpayer under the self-assessment system, if it is suspect that the return is not appropriate, the District Director of the Tax Office is to conduct an inspection and determine the tax amount based on the findings.

Accordingly, if the District Director of the Tax Office deems it necessary, the taxpayer's account books and relevant records are to be inspected, in accordance with the provisions of the law.

For those who have not filed tax returns, and upon inspection have been determined to have tax amounts requiring payment, will receive a notice for payment by the District Director of the Tax Office.

In addition, for those who have filed tax returns, and upon inspection have been determined to have understated tax amounts, will receive corrected payment notice from the District Director of the Tax Office.

In the event that an additional tax payment is imposed due to corrections or decisions made by the District Director of the Tax Office, a specified additional tax will be imposed as a penalty.

② System for Filing Complaints and Judicial Action

If a taxpayer is dissatisfied with the correction or decision made by the District Director of the Tax Office, a formal complaint may be filed against the District Director.

Moreover, if the taxpayer is dissatisfied with the decision against the formal complaint, the taxpayer may file a request for reconsideration with the National Tax Tribunal.

Furthermore, if the taxpayer is dissatisfied with the decision by the National Tax Tribunal regarding the request for reconsideration, the taxpayer can bring the case to court.

2. System of Certified Public Tax Accountants in Japan

Corporations, business owners, and certain groups of income earners are obliged to file returns on their own. However, since the Japanese taxation system is complicated, most generally retain the services of certified public tax accountants or tax corporations for tax returns and other tax-related work.

(1) Services Provided by Certified Public Tax Accountants

As tax experts, certified public tax accountants, while impartial and independent from taxation authorities, follow in accordance to the principles of the self-assessment system. They are obliged to respond to the taxpayers' expectations, and provide tax-related services with the mission to promote appropriate tax assessment and payment as defined by tax-related laws and regulations.

① Tax Accountant Services

a) Act as agent on behalf of the taxpayer (in filing returns, in making assertions or statements to the tax authorities' on their inspections and penalties)

b) Preparation of tax-related documents (such as tax returns, application forms, and application forms for formal protests)

c) Tax consultation

② Supplementary Services

Provide services conducted in connection with tax accountant services, such as preparation of financial documents, account bookkeeping, and other finance-related clerical work

③ Litigation Assistance Services

Assist in aiding the recovery of profits and protecting taxpayers' legitimate rights in tax litigation; appear in court with the lawyer in counsel, and provide a statement (court statement)

④ Accounting Advisor Services for Corporation

According to the provisions of the Companies Act, serve as accounting advisor and provide services such as creation of financial statements together with the directors of the company

(2) Experts of Tax and Accounting (Certified Public Tax Accountants)

Certified public tax accountants are private tax experts who are granted a license in accordance to the Certified Public Tax Accountant Law. The license is given to those who pass the national examination and those who are recognized as having equivalent capabilities. At present, there are approximately 75,000 registered certified public tax accountants nationwide, providing various services such as preparation of tax returns, on-site assistance at tax inspections, tax consultations and bookkeeping, upon requests from taxpayers.

In Japan, it is forbidden by law for one without a license to provide tax accountant services.

(3) Certified Public Tax Accountants' Association

Certified public tax accountants are required to be registered members of a regional association of certified public tax accountants. The Japan Federation of Certified Public Tax Accountants Associations is comprised of fifteen regional associations located throughout Japan. In Tokyo, there is the Tokyo Certified Public Tax Accountants' Association, under which have been established several branches. Each branch covers an area which corresponds to the area‘s local tax office.

The Certified Public Tax Accountants' Associations provide guidance, communication, and supervision to the branches and their members. The Associations also provide study programs and lectures on taxes for their members.

3. Major Taxes in Japan

	National Taxes	Local Taxes	
		Prefectural Taxes	Municipal Taxes
Taxes on Income	Income Tax Corporate Tax	Prefectural Inhabitant Tax Enterprise Tax	Municipal Inhabitant Tax
Taxes on Gifts and Inheritances	Gift Tax Inheritance Tax		
Taxes on Property	Automobile Weight Tax	Automobile Tax	Property Tax Special Land-ownership Tax City Planning Tax Light Motor Vehicle Tax Business Facilities Tax
Taxes on Consumption	Consumption Tax Tobacco Tax Liquor Tax	Local Consumption Tax Prefectural Tobacco Tax Golf Course Usage Tax	Municipal Tobacco Tax
Taxes on Transactions	Stamp Tax Registration and License Tax	Real Estate Acquisition Tax Automobile Acquisition Tax	

4. Taxes on Income

(1) Taxes on Personal Income

In Japan, there are three types of taxes levied on personal income: income tax, inhabitant tax, and enterprise tax, for individuals conducting their own businesses.

① Income Tax

a. Income refers to the total amount of revenue earned in a year minus expenses required in obtaining that revenue. Income is classified into ten types: interest, dividend, real estate, business, salary, retirement, forest and land, transfer, temporary, and miscellaneous.

Individuals who have taxable income are required to compute their income earned between January and December every year as well as their tax liability (amount), and pay taxes under the self-assessed taxation system. However, those who pay salaries to employees are not required to file tax returns because as employers they must withhold tax from employees' wages and make year-end adjustments.

Those required to file final returns are as follows:

- those whose annual income (including bonuses) from one source exceeds 20 million yen;
- those whose income from secondary sources, other than salary and retirement income exceeds 200,000yen;
- those who earn salaries from two or more sources.

The period for filing final returns for income earned during a year is from February 16^{th} to March 15^{th} of the following year.

(In a case where one is leaving the country mid-year without appointing a tax agent, the deadline is the day of departure from Japan.)

b. Classification of Taxpayers

Taxes are levied on individuals according to their residential status. Residential status is classified as follows.

- Individuals
  - Residents ＊(Note)
    Those having an address in Japan, or those currently residing in Japan for a period of over one year
    - Non-permanent Residents
      Residents without Japanese citizenship but who have resided at an address or residence in Japan for five years or less within the past ten years
    - Permanent Residents
      Residents other than Non-permanent Residents
  - Non-residents
    Individuals other than residents

＊(Note) Unless it is clearly recognized in advance that the length of stay is less than one year, those arriving to live in Japan as salary earners are presumed residents immediately upon entry into the country.

c. Extent of Taxable Income

<table>
<tr><th colspan="2" rowspan="3">Classification</th><th colspan="4">Scope of taxable income</th></tr>
<tr><th colspan="2">Domestic income source</th><th colspan="2">Foreign income source</th></tr>
<tr><th>Paid in Japan</th><th>Paid abroad</th><th>Paid in Japan</th><th>Paid abroad</th></tr>
<tr><td rowspan="2">Resident</td><td>Non-permanent resident</td><td>Fully taxable</td><td>Fully taxable</td><td>Fully taxable</td><td>Taxable for portion of income sourced from abroad and sent to Japan (hence income sourced abroad and kept abroad is not taxed)</td></tr>
<tr><td>Permanent resident</td><td>Fully taxable</td><td>Fully taxable</td><td>Fully taxable</td><td>Fully taxable</td></tr>
<tr><td colspan="2">Non-resident</td><td colspan="2">Taxable in principle</td><td colspan="2">Not taxable</td></tr>
</table>

d. Rate of Income Tax

Classification of taxable income		Rate of taxation
Over (thousand Yen)	Under (thousand Yen)	%
—	1,950	5
1,950	3,300	10
3,300	6,950	20
6,950	9,000	23
9,000	18,000	33
18,000	40,000	40
40,000		45

However, income earned between January 1st, 2013 and December 31st, 2037 will be levied a special income tax for reconstruction which will amount to an additional 2.1% of existing income tax amount.

② Inhabitant Tax

Prefectural inhabitant tax and municipal inhabitant tax are collectively referred to as inhabitant tax. Those with a domicile are levied inhabitant taxes on a per-capita base and an income-base, and those without a domicile but own an office or house are levied taxes on a per-capita base, based on their situation as of January 1st . Inhabitant tax is calculated based on income earned in the previous year; the tax rate for the income-based portion is 10% across the board, and tax for the per-capita portion is a flat rate of 4000 yen per annum. However, from 2014 to 2037, there will be a per-capita surtax of 1000 yen for the special tax for reconstruction.

(2) Taxes on Corporate Income

Taxes levied on corporations in Japan include corporate tax, which is a national tax, and corporate inhabitant tax and corporate enterprise tax which are local taxes.

① Corporate Tax

a. Corporate tax is levied on corporate income. Corporations are divided into domestic corporations and foreign corporations, where domestic corporations refer to corporations with head offices in Japan, and foreign corporations are corporations that are not domestic corporations. Subsidiaries and affiliates established in Japan by foreign firms are considered domestic corporations, while branch offices, factories and other permanent establishments of foreign firms are considered foreign corporations.

b. Classification of Taxpayers
Domestic corporations must pay taxes regardless of whether the source of income is in Japan or from abroad, whereas foreign corporations have the obligation to pay taxes when a specific source of income exists in Japan.

c. Extent of Taxable Income
Domestic corporations are levied corporate tax on income for each fiscal year and on liquidation income. Foreign corporations are levied corporate tax on the part of the income each fiscal year which is related to income sourced in Japan.

d. Fiscal Year
A fiscal year is s a period of time in which calculation for income statements are made, and is specified in the corporate charters of corporations.

e. Rate of Taxation
A tax rate of 23.9 percent is applied; for corporations with capital equal to or less than 100 million yen, a tax rate of 15 percent is applied to annual income equal to or less than eight million yen.

f. Final Tax Return
Final tax returns must be filed within two months of the end date of each fiscal year.

g. Place of Payment
For domestic corporations, place of payment is the location of the head office of the corporation. For foreign corporations, place of payment is the location of the office conducting the business, business facilities or other equivalent facilities (so-called permanent establishments).

h. Transfer Pricing Taxation

In corporate transactions with foreign affiliates, when the price of the payment to be received is less than the Arm's Length Price, or when the price of payment to be paid exceeds the Arm's Length Price, the transaction with the foreign affiliate is assumed to have taken place at Arm's Length Price.

i. Consolidated Taxation

Consolidated taxation was introduced in Japan in April 2002, where the parent company and subsidiaries of a corporate group are seen as one firm in levying corporate taxes. Corporations subject to this system are domestic parent companies and their wholly-owned subsidiaries and second-tier subsidiaries, and taxable income is aggregated via self-assessment.

j. Corporate Reorganization Taxation

When a corporation reorganizes through a merger, company-split, investment in kind, subsequent incorporation, share exchange, or share transfer, if certain conditions are met, transferred assets are assumed to have transferred at tax basis book value, providing a preferential measure to defer losses or gains from the transfer.

k. Group Taxation

The group taxation regime, introduced from October 2010, considers corporate groups with wholly-owned capital ties as one firm in levying corporate taxes. Thus, taxation on transfer of real estate and securities within the group is deferred until the transfer occurs outside of the group.

l. Thin Capitalization Rule

When the average outstanding balance of liabilities with interest to the overseas parent company is over three times the equity interest in the Japanese subsidiary, the amount of liability interest to be paid to the overseas parent company in the fiscal year which corresponds with this excess is excluded from expenses for corporate taxation purposes.

② Corporate Inhabitant Tax

Corporate inhabitant tax is a prefectural tax or municipal tax levied on corporations holding offices or business facilities in Japan, and is paid based on corporate tax, per capita, and certain interest received.

③ Corporate Enterprise Tax

Corporate enterprise tax is a prefectural tax levied on businesses by corporations, and can be corporate income based, value added tax based on pro forma standards, or capital based.

(3) Withholding Income Tax

When corporations make payments of a certain amount to individuals or corporations, they must withhold income tax and special tax for reconstruction from the payment amount and pay taxes to the appropriate Tax Office. The extent of income tax withheld and taxation rates differ between residents (including domestic corporations) and non-residents (including foreign corporations). For residents, income where income tax is withheld includes income from interest, dividends, salary, retirement allowance, and remuneration.

【Overview of Taxation System of Corporate Tax and Special Tax for Reconstruction for Non-residents】

<table>
<tr><th rowspan="2">Non-resident Classification / Type of income</th><th colspan="2">Corporations holding permanent facilities in Japan</th><th rowspan="2">Corporations not holding permanent facilities in Japan</th><th rowspan="2">Tax withheld</th></tr>
<tr><th>Those holding branch offices or other regular establishments for conducting business (No.1 PE)</th><th>Those having agents of certain classification or those conducting construction work, etc., for over a year (No. 2 PE, No. 3 PE)</th></tr>
<tr><td>Income from business</td><td colspan="2" rowspan="3">Comprehensive taxation</td><td>Exempt</td><td>None</td></tr>
<tr><td>Income from assets</td><td rowspan="2">Comprehensive taxation</td><td>None</td></tr>
<tr><td>Other income sourced in Japan</td><td>None</td></tr>
<tr><td>Distribution of profits from partnership agreement businesses</td><td colspan="2" rowspan="4">Comprehensive taxation after withholding tax at source</td><td>Exempt</td><td>20.42%</td></tr>
<tr><td>Compensation from transfer of land, etc.</td><td rowspan="3">Comprehensive taxation after withholding tax at source</td><td>10.21%</td></tr>
<tr><td>Compensation from business rendering human services</td><td>20.42%</td></tr>
<tr><td>Rent and other revenue from leasing real estate</td><td>20.42%</td></tr>
<tr><td>Interest</td><td colspan="2" rowspan="10">Comprehensive taxation after withholding tax at source
[Attributed to Japanese domestic business]</td><td rowspan="10">Tax separately withheld at source
[Not attributed to Japanese domestic business]</td><td>15.315%</td></tr>
<tr><td>Dividends</td><td>20.42%</td></tr>
<tr><td>Interest on loans</td><td>20.42%</td></tr>
<tr><td>Other usage fees</td><td>20.42%</td></tr>
<tr><td>Salaries and other compensation for human services rendered</td><td>20.42%</td></tr>
<tr><td>Rewards for business advertising</td><td>20.42%</td></tr>
<tr><td>Pensions and others based on life insurance contracts</td><td>20.42%</td></tr>
<tr><td>Compensation benefits from installment savings</td><td>15.315%</td></tr>
<tr><td>Distribution of profits from anonymous partnership agreements</td><td>20.42%</td></tr>
</table>

As of the end of April 2015, Japan has tax treaties with 64 countries and regions; under these tax treaties, there may be reductions in tax rates or tax exemptions. In order to benefit from such measures, those who receive tax payment are required to submit notification concerning the tax treaties to the Tax Office of their area through those who are paying the tax.

5. Taxes on Gifts and Inheritances

(1) Gift Tax

Those who acquired property by gift must file a return for and pay gift tax at the Tax Office of their area. The return for gift tax must be filed between February 1st and March 15th of the following year after receipt of the gift.

The system of taxation for settlement at time of inheritance, where the taxpayer pays a certain percentage of gift tax upon receipt of the gift, and then calculates inheritance tax on the sum of the gift property and inheritance property at the time of death of the giver, can also be employed.

【Taxable Value and Rate of Taxation】

Gifts other than those stated to the right		Gifts from lineal ascendant (parents/grandparents) of age twenty and above	
Taxable value		Taxable value	
Taxable value (thousand Yen)	Tax rate (%)	Taxable value (thousand Yen)	Tax rate (%)
2,000 and below	10	2,000 and below	10
3,000 and below	15	4,000 and below	15
4,000 and below	20		
6,000 and below	30	6,000 and below	20
10,000 and below	40	10,000 and below	30
15,000 and below	45	15,000 and below	40
30,000 and below	50	30,000 and below	45
Above 30,000	55	45,000 and below	50
		Above 45,000	55

Taxable value is the value after deductions such as basic deductions (1.1 million yen) and deduction for spouses (20 million yen).

(2) Inheritance Tax

Those who acquired property by inheritance or bequest must file a return for inheritance tax and pay inheritance tax at the tax office of their area. The deceased is referred to as the ancestor, and the person inheriting the property is referred to as the heir. Depending on whether the inheritor's address is in Japan or abroad, the extent of property to be taxed varies.

In principle, the deadline for filing and paying for inheritance tax is within ten months from the date the inheritance occurred.

【Taxable Value and Rate of Taxation】

Taxable value (thousand Yen)	Tax rate (%)
10,000 and below	10
30,000 and below	15
50,000 and below	20
100,000 and below	30
200,000 and below	40
300,000 and below	45
600,000 and below	50
Above 600,000	55

6. Taxes on Property

(1) Automobile Weight Tax/ Automobile Tax/ Light Motor Vehicle Tax

① Automobile Weight Tax

This is a national tax levied according to the weight of the automobile at the time of vehicle inspection.

② Automobile Tax

This is a prefectural tax paid by the owner of the automobile at the main location where the automobile is regularly stored

③ Light Motor Vehicle Tax

This is a tax paid by owners of motorized bicycles, light motor vehicles, small-sized special motor vehicles and two-wheeled small-sized motor vehicles, at the municipality where their vehicles are regularly stored

(2) Property Tax/ City Planning Tax

① Property Tax

This is a municipal tax paid by individuals and corporations possessing land, buildings, and machinery/equipment used for business.

The rate of taxation is determined by each municipality by law, where the standard rate is 1.4%.

② City Planning Tax

This is a municipal tax paid by individuals and corporations possessing land and buildings, aimed at funding city planning projects and land re-zoning projects.

The rate of taxation is 0.3% of the value of the land and buildings.

(3) Business Facilities Tax

Corporations and individuals conducting businesses in large cities such as government ordinance designated cities are required to pay this tax based on the floor space of their business facility and the sum of salaries paid to their employees.

7. Taxes on Consumption

(1) Consumption Tax

Consumption tax is levied on exchanges such as sale of goods, leases, and provision of services in Japan, and the party conducting the exchange as a business has the obligation to pay the tax. However, since consumption tax is placed on the prices of goods and services, and not on the business itself, the consumer ultimately bears the cost. Imported goods are subject to consumption tax, though export goods are exempt from this taxation.

Individuals and corporations obligated to pay this tax must file a return and pay the difference between the consumption tax received and the consumption tax paid in exchanges conducted during the taxation period.

The rate of taxation for consumption tax is a uniform eight percent (including local tax of 1.7%).

(2) Tobacco Tax/ Prefectural Tobacco Tax/ Municipal Tobacco Tax

These taxes are levied on tobacco consumption.

(3) Liquor Tax

This is a national tax levied on liquor containing one percent or more alcohol.

(4) Golf Course Usage Tax

This is a prefectural tax paid when using golf courses.

8. Taxes on Transactions

(1) Stamp Tax

This is a national tax paid by corporations and individuals when drawing up deeds for economic transactions such as various contracts, securities, and payment receipts.

(2) Registration and License Tax

① Real Estate Registration

This is a national tax paid by corporations and individuals registering possession of land and buildings.

② Commercial Registration

This tax is paid when carrying out commercial registrations such as registration of company establishment, registration of capital increase, registration of a branch, registration of changes of directors and other officers, registration of changes in trade name. It is also required to pay registration and license tax when registering patent rights, copyrights, and licenses.

(3) Real Estate Acquisition Tax

This is a prefectural tax paid by corporations and individuals acquiring land and buildings.

(4) Automobile Acquisition Tax

This is a prefectural tax paid by corporations and individuals acquiring automobiles.

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