

## Actions with tax in Japan to cope with COVID-19 PANDEMIC

To relieve taxpayers in Japan in the midst of various agony caused by COVID-19 pandemic, the director of National Tax of Japan announced on March 6<sup>th</sup>, 2020, that it temporarily put off the due date of filing with several tax forms by one month, including individual income tax returns, and the due date of their tax payments as well. Several tax grants have been produced followingly.

This report would help you look through current Japanese tax grant options quickly.

### CONTENTS

- 1 INDIVIDUAL TAX
- 2 CONSUMPTION TAX
- 3 WITHHOLDING TAX
- 4 INHERITANCE TAX
- 5 CORPORATE INCOME TAX
- 6 LOCAL TAX

---

### 1 INDIVIDUAL TAX

#### 1.1 Due Date of Filing and Tax Payment

Due date of filing tax return form and ordinary tax payment have been suspended by one month, to April 16<sup>th</sup>, 2020. This restatement of due date is applied to every taxpayer and you need nothing to do with your local tax offices.

	BEFORE	SUSPENDED TO
Individual Income Tax	March 16 <sup>th</sup> , 2020	April 16 <sup>th</sup> , 2020
Consumption Tax of Sole Proprietary	March 31 <sup>st</sup> , 2020	April 16 <sup>th</sup> , 2020
Gift Tax	March 16 <sup>th</sup> , 2020	April 16 <sup>th</sup> , 2020

### NOTE

Due Date of tax related forms

Due date of filing other tax related forms have been suspended to April 16th, 2020, as well as above 1.1. Major forms are listed on the web below;

<https://www.nta.go.jp/taxes/shiraberu/shinkoku/kansensho/tetsuzuki.htm>

Due date for the Foreign Assets Report and the Assets & Liabilities Report are included in it to be suspended to April 16<sup>th</sup>, 2020.

#### 1.2 Due Date for Automatic Transfer Payment

	BEFORE	SUSPENDED TO
Individual Income Tax	April 21 <sup>st</sup> , 2020	May 15 <sup>th</sup> , 2020
Consumption Tax of Sole Proprietary	April 23 <sup>rd</sup> , 2020	May 19 <sup>th</sup> , 2020

- \*1 You need to submit an application form to your local tax office to activate the auto transfer, put your seal for your bank account, prior to each due date. (See above 1.1)
- \*2 The automatic transfer system is available only for Income Tax and Consumption Tax, both for Individual.

#### 1.3 Due Date for Income Tax Return for the decedent

Due date of income tax return, including its payment, for the year of decedent's death should be suspended to April 16<sup>th</sup>, 2020, if its statutory due date meets between February 27<sup>th</sup>, 2020, and April 15<sup>th</sup>, 2020.

#### 1.4 Exemption of the Due Date Suspension

The due dates for the income tax issues below shall not be suspended.

- Individual income tax return for the year of immigration from Japan

Note: File by the day of immigration.

- Application for reduction on income tax prepayment

Note: File by July 15<sup>th</sup>, 2020, or November 16<sup>th</sup>, 2020, if you wish to apply.

## 2 CONSUMPTION TAX

The due dates of filing and payment for consumption tax of sole proprietor are allowed to be suspended to April 16<sup>th</sup>, 2020. But such suspension is not granted to each application forms of specific notification or report intending to change consumption tax status.

### 3 WITHHOLDING TAX

The due date for every withholding tax imposed to sole proprietor is not suspended by this measure.

Note that special allowance of suspension would be granted to you if you have some unavoidable reasons (\*) which hinder your tax payment in time. You need to appear to your local tax department timely to apply for the grant.

\*Example of unavoidable reasons

- You or your account staffs have got infected or contacted thickly with anyone contagious.
- Your retained tax accountant or its staff has got infected.
- You are staying abroad and you are restricted to exit or enter the country because you could not get issued the valid visa or possibly not.
- Accidentally you have got to miss in keeping your ordinary managerial operations relating with your company, yourself or your tax accountant etc.
- Significant number of accounting staff are obliged to get absent from your office due to urgent close of school programme, the recommendation of work leave to prevent the expansion of contagion, etc.
- Your company decided to act the urgent measures to postpone the shareholder meeting, or like this, to prevent the contagion.
- You are ordered to get contained at home by the Sanitary Department or any medical facilities because of the doubtfulness of contagion.

### 4 INHERITANCE TAX

The due date for inheritance tax is not suspended.

Note that special allowance of suspension would be granted to you if you have some unavoidable reasons (\*) which hinder your tax filing and tax payment in time. You need to appear to your local tax department timely to apply for the grant.

### 5 CORPORATE INCOME TAX

The due date for corporate income tax is not suspended.

Note that special allowance of suspension would be granted to you if you have some

unavoidable reasons (\*) which hinder your tax filing and tax payment in time. You need to appear to your local tax department timely to apply for the grant.

## 6 LOCAL TAX

You can apply for a tax grace in relation to each local tax, for example inhabitant tax on individual, fixed assets tax (property tax), if you have some unavoidable reasons (\*) which hinder your tax payment in time. You need to appear to your local office (Tokyo metropolitan tax office, prefectural tax office, municipal office) timely to apply for the grant.

Recently, the Cabinet of Japan announced the “Urgent Economic Measures against Novel Coronavirus Infection” on April 7<sup>th</sup>, 2020. Each plan would get active sooner.