

## Chapter 5 Taxes (paid to the National and Local Government)

Everyone who lives, works, or shops in Japan pays [taxes] to the city, prefecture, and country. [Taxes] collected in Japan are used to improve the life of all. Please consult Tax Affairs division at the city hall or the Miki Tax Office if you have and questions about [taxes].



Miki City Hall – Tax Affairs Division ☎ 0794-82-2000

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### 1 Income Tax (paid to the National Government )

Income taxes are paid by those who have received wages from work or earned personal income. The amount one pays depends on the total amount of income earned over the course of one year, from January 1 to December 31.

For those who have worked and received wages abroad, please consult the Miki Tax Office or Tax Affairs division of Miki City Hall.

#### ○ Method of Payment #1

Every month, your company handles the payment for you. (Tax withholding) Taxes are deducted and paid from your salary. In December, the amount of taxes that has been paid from January to November is checked. (Year-end tax adjustment)

If too much has been paid, the excess will be reimbursed and added to your December salary. The amount of tax you have paid is written on the [payslip] you receive monthly and the [income tax withholding statement] that you receive by January 31 of the following year.

#### ○ Method of Payment #2

If your company does not do tax withholding and year-end tax adjustments on your behalf (method #1), you must file the documents yourself. (Tax return) Documents are to be submitted to the tax office between February 16 and March 15 of the following year. Then, you pay at a convenience store, bank, or post office.

People leaving Japan must complete a tax return (method #2) prior to exiting the country. Please consult with the Miki tax office for more information.

○ Reduced **Income Tax** Liability

The following types of people may find that their income tax liability is decreased. Notify your company or the **tax office** during the **year-end tax adjustment** (method #1) or when completing your **tax return** (method #2).

- Persons whose household includes a low-income spouse, children aged 16 or older, or elderly parents
- Persons who have paid for **Health insurance** (p.14), **National Pension** (p.17), or **Employee's Pension Insurance** (p.18) on their own or their family's behalf
- Persons who have paid for insurance of other kinds (life, **medical**, etc)
- Persons who have, over the course of the year (January 1 to December 31), spent large sums of money on to their own or a family member's medical issues

2 **Residence Tax** (paid to the Local Government)

People who reside and work in Japan as of January 1 pay this tax. The amount to be paid is based off the wages earned between January 1 and December 31 of the previous year.

○ Method of Payment #1

Every month, your company handles the payment for you. (**Special withholding**) Taxes are deducted and paid from your salary monthly. The amount of tax you have paid is written on the [**payslip**] you receive monthly from your company.

○ Method of Payment #2

If your company does not do **special withholding** on your behalf (method #1), you must file the documents and make the payment by yourself.

- In June, you will receive a residence tax bill from the city hall via mail.
- Pay the sum in the letter at the city hall, a convenience store, bank, or post office.
- Using the barcode in the letter, you can also pay by mobile app or credit card.
- The payment deadline will also be included in the letter.

○ People leaving Japan can pay in one of the following ways.

- Their company collects all of the remaining amount via **special withholding** (method #1) prior to their exit from Japan.
- They appoint someone to pay in their place and notify the Tax Affairs division of the city hall of their decision prior to their exit from Japan.



### 3 Consumption Tax

People pay this tax of 8% or 10% when purchasing goods or services in Japan:

Food and drink purchased at supermarkets and the like (excl. alcohol)	8%
Alcohol purchased at the supermarket, food and drink served at restaurants	10%
Other goods and services	10%

### 4 Taxes related to Car Ownership

#### 4-1 Motor Vehicle Tax/ Light Motor Vehicle Tax

##### (1) Motor Vehicle Tax/ Light Motor Vehicle Tax (Green tax)

This motor vehicle tax is often paid at the time and place of purchase.

The rate will depend on the type of motor vehicle purchased.



##### (2) Motor Vehicle Tax/ Light Motor Vehicle Tax (Classification tax)

This motor vehicle tax is paid every year on April 1 by those who own a personal vehicle. Motor vehicles with engines greater than 660cc are

subject to the [Motor Vehicle Tax (classification tax)] and those with engines less than 660cc are subject to the [Light Motor Vehicle Tax (classification tax)]



Between April and May, a letter from the city or prefecture will be sent out, stating the amount to be paid. This amount is determined by the type of vehicle you own. Pay the tax at a convenience store, bank, or post office by the date stated in the letter.

#### 4-2 Road Tax

This tax is paid at time of a car's safety inspection (*shaken*). The amount is determined by the weight of the motor vehicle.

### 5 Fixed Asset Tax

Every year on January 1, people pay taxes on the following:

- land
- real estate (houses, apartments, condominiums, buildings, stores, etc)
- depreciating assets (commercial machinery, tools, cars, boats, helicopters, etc)

Between April and May, a letter from the city or prefecture will arrive, stating the amount to be paid. The tax can be paid at a convenience store, bank, or post office.