

Chapter 8 Taxation



Saitama's Prefectural Mascot
Kobaton

- 1 Income Tax
- 2 Inhabitant Tax
- 3 Other Major Taxes

All residents of Japan, regardless of nationality, are obligated to pay taxes.

Taxes are an important resource used to promote a happy and stable environment for everyone. Taxes support various projects across a wide range of fields such as education, welfare, civil engineering, medical treatment, culture, environment, and industry.

The two main taxes are income tax, which is levied by the national government, and inhabitant tax (prefectural and municipal tax), which is levied by both the prefectural and municipal governments.

You may be exempt from paying income tax and inhabitant tax because of a taxation treaty between your country and Japan. To avoid double taxation, special exemptions have been established through bilateral taxation treaties between Japan and various countries. To check if these exemptions apply to you, please contact your country's embassy in Japan for further information.

Payment of taxes must be done by the due date. If payment is overdue, an overdue fee will be incurred every day from the day after the due date until the payment is made. If your taxes remain unpaid for an extended period of time, your taxable assets will be seized.

We encourage you to pay these taxes by the due date.

Payment of taxes (Saitama Prefectural Government Taxation Division website)

URL: <https://www.pref.saitama.lg.jp/a0209/z-kurashiindex/z-kankoubutsu.html>

- Explanation of prefectural taxes (2020 edition) (Saitama Prefectural Government Taxation Division website)

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kenzeigaiyou_03.pdf

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kurasi-to-kenzei_e.pdf (English)

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kurasi-to-kenzei_c.pdf (Chinese)

- Explanation of automobile taxes

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kurasi-to-kenzei_jidosya-zei_e.pdf
(English)

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kurasi-to-kenzei_jidosya-zei_c.pdf
(Chinese)

URL: https://www.pref.saitama.lg.jp/documents/1945/h30_jidousyazei_portuguese.pdf
(Portuguese)

- Additional information on automobile tax amounts

URL: https://www.pref.saitama.lg.jp/documents/1945/r2_kurasi-to-kenzei_jidosya-zei_sanko-siryō.pdf (English, Chinese)

1 Income Tax and Special Reconstruction Income Tax

Income tax is levied on a person's total income earned between January 1 and December 31. There are two ways that the amount of income tax and special reconstruction income tax are calculated and adjusted: the year-end adjustment and the final tax return.

(1) Year-end Adjustment

The payer of an item of income (such as an employer who pays employees a salary) must deduct income tax and special reconstruction income tax from that income each time the income is paid. The amount deducted depends on the amount of income. The payer of the income must then pay the deducted amount of taxes to the government. This is called tax withholding (*gensen choushuu*).

If income tax and special reconstruction tax is deducted from your salary under the withholding tax system, your employer will carry out a year-end adjustment at the time of your final pay of the year to calculate any excess or shortfall in taxation paid over the year.

If your only income is your salary and the year-end adjustment is carried out, you do not need to file a (2) Final Tax Return (shown below) since the income tax and the special reconstruction income tax has already been deducted from your salary throughout the year. However, if you have paid high medical expenses, purchased a house using certain methods of borrowing, or had some other unusual expenses, it is possible that some of your income tax and special reconstruction income tax may be returned if you file a Final Tax Return. In this case, you will need to submit your statement of earnings (*gensen choushuuhyou*), which is a document you should receive from the payer of your income (employer) that states how much income you earned and the amount of taxes you paid under the tax withholding system.

(2) Final Tax Return

If one or more of the items below apply (if you have filing requirements), you must calculate your earned income for one year from Jan. 1 to Dec. 31 and the amount of income

tax and special reconstruction income tax you are responsible to pay. Then you must submit a final tax return to the tax office before the filing deadline. If any of your income has been subject to tax withholding, any excess or shortfall in taxation is adjusted at this time. The overall process and the final tax return itself are called "the final tax return" (*kakutei shinkoku*) in Japanese.

File a Final Tax Return if any of the following applies to you:

- The total of your business and/or real estate earnings exceeds the designated amount
- You receive a total salary amounting to 20,000,000 yen or more in one year
- You receive a salary from only one source, and your total income excluding your salary and any retirement allowance exceeds 200,000 yen
- You receive salaries from 2 or more sources, and the combined total of the amount of salary which is not subject to year-end adjustment, employment income, income other than retirement income and the amount of any other non-salary income exceeds 200,000 yen
- Your income tax and reconstruction special income tax are not withheld (these tax amounts are not deducted) when your salary is paid (such as those working at an embassy in Japan or as home helpers)
- You receive a public pension (such as public pension paid overseas) which is not deducted in the tax withholding system

(3) When Leaving Japan to Live in Another Country

① If your only source of income is a salary:

Adjust the amount of withheld income tax and reconstruction special income tax in the same way as year-end tax adjustment at the place of work.

② If you have a source of income other than/in addition to a salary (when you have filing requirements like those listed above):

- Declare a tax representative.

Declare a tax representative who will handle your tax affairs within Japan. Before leaving Japan, submit a notice specifying your tax representative to the chief of the tax office. Your tax representative should file your final tax return for you before the filing deadline.

- If you do not declare a tax representative, you must file your own final tax return for the total amount of income generated before you leave Japan (a quasi-final tax return, *jun kakutei shinkoku*).

Everyone living in Japan who had a Japanese address as of January 1st is required to pay both prefectural and municipal inhabitant taxes. These taxes are calculated on the basis of your previous year's income.

(1) Salaried Workers

The office of the mayor in the municipality you were living in as of January 1 calculates the amount of inhabitant tax you owe based on records of payment submitted by your employer. This office then notifies your employer of the amount, generally by May 31. Your employer then deducts this amount from your salary in 12 installments (from June to May of the following year) and makes payments to your municipality.

(2) Non-Salaried Workers (income from business or rent)

The office of the mayor in the municipality you were living as of January 1 calculates the amount of inhabitant tax you owe based on your declaration. Municipalities accept inhabitant tax declarations until March 15.

If you have filed a final tax return for your income tax, you do not need to file an inhabitant tax declaration. The municipality where you resided as of January 1 will calculate and send you a notification of the tax you owe. This tax is payable in 4 installments in June, August, October, and January of the following year. Please note that payment schedules vary according to municipality.

(3) When Leaving Japan for a Year or More

If you wish to make your inhabitant tax payment after you leave Japan, you must appoint a proxy to take care of tax matters on your behalf and notify your local municipal or ward office of your decision. Alternatively, you can make a full payment of your inhabitant's tax before you leave.

For further information, contact the Inhabitant Tax Division of your local municipal or ward office.

3 Other Major Taxes

(1) National and Prefectural Consumption Tax

Excluding medical treatment, welfare services, and education, 10% tax (standard tax rate) is levied on the purchase or rental of goods and services. However, food and beverages (excluding alcohol and dining out) are eligible for a partly reduced tax rate of 8%.

(2) Automobile Tax (Based on Classification) (Prefectural Tax)

An automobile tax is levied on owners of motor vehicles as of April 1, and payment is made through the notification sent from the Prefectural Automobile Taxation Office in May.

(3) Light Automobile Tax (Based on Classification) (Municipal Tax)

A tax for automobiles or motorcycles with an engine capacity of 660 cc or less is levied on owners as of April 1, and payment is made through the notification sent from the Prefectural Automobile Taxation Office in May.



Consultation and Inquiries

National (Income) Tax

| Name | Telephone | Address | Hours |
|----------------------------|--------------|---|--|
| Kawagoe Tax Office | 049-235-9411 | 452-2 Namiki, Oaza, Kawagoe-shi | Mon - Fri (Except National Holidays and during the New Year's Holiday Period) 8:30 - 17:00 |
| Kumagaya Tax Office | 048-521-2905 | 41 Naka-cho, Kumagaya-shi | |
| Kawaguchi Tax Office | 048-252-5141 | 2-2-17 Aoki, Kawaguchi-shi | |
| Nishi-Kawaguchi Tax Office | 048-253-4061 | 4-6-18 Nishi-Kawaguchi, Kawaguchi-shi | |
| Urawa Tax Office | 048-600-5400 | 1st Bldg., Saitama-Shintoshin Common Government Bldg. 1-1 Shintoshin, Chuo-ku, Saitama-shi | |
| Omiya Tax Office | 048-641-4945 | 3-184 Dote-cho, Omiya- ku, Saitama-shi | |
| Gyoda Tax Office | 048-556-2121 | 17-15 Sakae-cho, Gyoda-shi | |

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| Name | Telephone | Address | Hours |
|-----------------------------|--------------|---|-------|
| Chichibu Tax Office | 0494-22-4433 | 1-2-41 Hinoda-machi, Chichibu-shi | |
| Tokorozawa Tax Office | 04-2993-9111 | 1-7 Namiki, Tokorozawa-shi | |
| Honjo Tax Office | 0495-22-2111 | 2-25-16 Ekinan, Honjo-shi | |
| Higashimatsuyama Tax Office | 0493-22-0990 | 1-8-14 Yakyu-cho, Higashimatsuyama-shi | |
| Kasukabe Tax Office | 048-733-2111 | 2-12-1 Onuma, Kasukabe-shi | |
| Ageo Tax Office | 048-770-1800 | 577 Nishimonzen, Oaza, Ageo-shi | |
| Koshigaya Tax Office | 048-965-8111 | 5-7-47 Akayama-cho, Koshigaya-shi | |
| Asaka Tax Office | 048-467-2211 | 1-1-46 Honcho, Asaka-shi | |

Prefectural Tax

| Name | Telephone | Address | Hours |
|---|--------------|--|--|
| Saitama Prefectural Tax Office | 048-822-5131 | 5-6-5 Kita-Urawa, Urawa-ku, Saitama-shi | Mon - Fri (Except National Holidays and during the New Year's Holiday Period) 8:30 - 17:15 |
| Kawaguchi Prefectural Tax Office | 048-252-3571 | 2-13-1 Nishi-Aoki, Kawaguchi-shi | |
| Ageo Prefectural Tax Office | 048-772-7111 | 239-1 Minami, Oaza, Ageo-shi | |
| Asaka Prefectural Tax Office | 048-463-1671 | 1-3-1 Mihara, Asaka-shi | |
| Kawagoe Prefectural Tax Office | 049-242-1801 | 1-17-17 Arajuku-machi, Kawagoe-shi | |
| Tokorozawa Prefectural Tax Office | 04-2995-2112 | 1-8-1 Namiki, Tokorozawa-shi | |
| Hanno Prefectural Tax Office | 042-973-5612 | 353 Namiyanagi, Hanno-shi | |
| Higashimatsuyama Prefectural Tax Office | 0493-23-8946 | 5-1 Rokken-cho, Higashimatsuyama-shi | |
| Chichibu Prefectural Tax Office | 0494-23-2110 | 29-20 Higashi-machi, 29-20 Chichibu-shi | |

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| Name | Telephone | Address | Hours |
|----------------------------------|--------------|---------------------------------|-------|
| Honjo Prefectural Tax Office | 0495-22-5675 | 1-4-6 Asahi-cho, Honjo-shi | |
| Kumagaya Prefectural Tax Office | 048-523-2809 | 3-9-1 Suehiro, Kumagaya-shi | |
| Gyoda Prefectural Tax Office | 048-556-5067 | 2-20 Honmaru, Gyoda-shi | |
| Kasukabe Prefectural Tax Office | 048-737-2110 | 1-76 Onuma, Kasukabe-shi | |
| Koshigaya Prefectural Tax Office | 048-962-2191 | 4-2-82 Koshigaya, Koshigaya-shi | |

Automobile Tax

| Name | Telephone | Address | Hours |
|--|------------------------------|---------------------------------------|--|
| Saitama Prefectural Automobile Tax Office | Assessment: 048-658-0226 | 3-8-3 Shimo-cho Omiya-ku, Saitama-shi | Mon - Fri (Except National Holidays and during the New Year's Holiday Period) 8:30 - 17:15 |
| | Tax Payment: 048-641-2222 | | |
| Automobile Tax Call Center | 0570-012-229 | | |
| Omiya Branch, Saitama Prefectural Automobile Tax Office | 048-623-0600 | 2152 Nakakugi, Nishi-ku, Saitama-shi | |
| Kumagaya Branch, Saitama Prefectural Automobile Tax Office | 048-532-8011 | 701-5 Miizu-gahara, Kumagaya-shi | |
| Tokorozawa Branch, Saitama Prefectural Automobile Tax Office | 04-2998-1321 | 690-1 Ushinuma, Tokorozawa-shi | |
| Kasukabe Branch, Saitama Prefectural Automobile Tax Office | 048-763-4111 | 752-5 Mashito, Kasukabe-shi | |

Inhabitant Tax and Light Automobile (Municipal) Tax

Please consult your municipal or ward office (see the list in Chapter 13).