

## 2 Systems Related to Daily Lives

## (1) Taxes

All residents of Japan are obligated to pay taxes even if they are foreign nationals. There are several types of taxes as described below.

## ① Income tax

Individual income tax is imposed on the personal income of an individual, such as a business income and salaries, for a year (from January 1 to December 31). There are two ways to pay the income tax.

A: Final tax return	Calculate your income and tax by yourself and report the amounts to the tax authority
B: Withholding at source	An employer withholds the prescribed income tax from an employee's salary and pays it to the tax authority.

In the case of B, you do not need to carry out the procedures for tax payment for yourself. However, you may receive an income tax refund by filing a tax return if your annual medical expenses exceed a certain amount or you suffer damage caused by a disaster. In such case, please consult your local tax office.

## ② Residential tax (individual prefectural tax/municipal tax)

Residential tax is imposed on a resident who has an address in Japan as of January 1 every year. For salaried workers, residential tax is withheld from their salaries, as is the case with income tax. Those other than salaried workers are required to pay their residential tax at a bank or other financial institution, using a statement of payment sent to them in June every year.

## ③ Consumption tax

When you purchase goods or receive services, a certain proportion of the price of the goods or services are subject to consumption tax.

## ④ Automobile tax classification/ light automobile tax classification

Automobile tax or light automobile tax is imposed on individuals who own a vehicle, a light vehicle, or a motorcycle as of April 1 every year. The individual concerned must pay automobile tax or light automobile tax at a bank or other financial institution, using a statement of payment sent to him/her in April or May every year.



Takkun, a poster boy for prefectural taxes

## ⑤ Fixed assets tax

Fixed assets tax is imposed on individuals who own real estate (land or buildings) or depreciable assets as of January 1 every year. The amount of fixed assets tax is determined based on the assessed value of the relevant real estate or depreciable assets. Fixed assets tax must be paid at a bank or other financial institution, using a statement of payment sent every year.

## ⑥ Other taxes

In addition to the taxes described above, taxes are imposed when you acquire real estate or purchase a vehicle.

(2) “My Number” (Individual Number) System

■ Your Individual Number has been sent.

In Japan, the “My Number” (Individual Number) system started in October 2015. The Individual Number, which is unique to its holder, is important because it is required to conduct procedures at municipal offices. In or after October 2015, your municipality mailed an envelope to your residence (at the address registered therewith). The envelope contains a “Notification Card” with your Individual Number on it.

In addition, according to a change in law, individuals who were assigned an Individual Number after May 25<sup>th</sup>, 2020 (people who were born abroad or who moved from abroad, etc.) will receive an Individual Number Written Notification instead of a Notification Card.

■ Handle your Individual Number with care.

Keep your Notification Card or Individual Number Written Notification at hand and be careful not to throw it away or tear it. To avoid illegitimate use of your Individual Number, do not tell it to others except as required.

■ “Individual Number Cards” will be issued.

Your “Individual Number Card” also serves as an ID card bearing your Individual Number. In some municipalities, useful services such as having convenience stores issue certificates of residence are available. To apply for an “Individual Number Card,” fill in and send back the application form provided with the “Notification Card[h1]” or the Individual Number Written Notification.

■ If you have any questions

Please go to the website below, or call the number below. You may ask the municipal government office of your residence.

○ Website (Cabinet Office) Individual Number (Social Security System/Tax Number System)	
<a href="https://www.cao.go.jp/bangouseido/">https://www.cao.go.jp/bangouseido/</a>	
○ Call Center (English, Chinese, Korean, Spanish or Portuguese)	
Weekdays: 9:30–20:00; Saturdays, Sundays, and national holidays: 9:30–17:30 (excluding year-end and New Year holidays)	
[”My Number” (Individual Number) system]	Tel: 0120-0178-26 (toll free)
[Individual Number Written Notification, Notification Card, Individual Number Card, Temporary suspension of an Individual Number Card due to loss or theft]	Tel: 0120-0178-27 (toll free)