

Item	Outline of System											
	Domestic transactions	Import transactions										
Object of taxation	Transfers of assets by business entities in Japan, etc.	Import cargo										
Taxpayer	Business entities	Importers										
Tax base	Amount of consideration for the transfer of taxable assets, etc.	Price for accepting import cargo										
Tax rate	7.8% (10% including local consumption tax) * 6.24% (8% including local consumption tax) for foods and beverages (excluding liquors and eating-out services) and subscribed newspapers issued twice or more per week)											
Calculation of amount of tax due	Amount of consumption tax due = taxable sales × respective tax rate – consumption tax on purchases (input tax)											
Tax exemption for export	Export transactions, etc. (e.g. export of cargo, international transportation and communication)											
Tax-exempt transactions (without the right to deduct)	Transfer or lease of land, financial and insurance transactions, medical, education and welfare services, rents for housing, etc.											
Special measures for SMEs	<p>(1) Tax exemption for SMEs Business entities with taxable sales of ¥10 million or under during the reference period (the year or business year before the previous one) are exempt from consumption tax. (Note 1) Tax exemption is not available for business entities making more than ¥10 million of taxable sales or paying more than ¥10 million of salaries during the specified period (the first half of the previous year or business year). (Note 2) Tax exemption is not available for corporations that have no reference period and are incorporated ¥10 million or more of stated capital or capital contributions. (Note 3) Tax exemption is not available for corporations that have no reference period and are incorporated by business entities, etc. making more than ¥500 million of taxable sales.</p> <p>(2) Simplified taxation Business entities with taxable sales of ¥50 million or under during the reference period may regard the amount calculated by multiplying the amount of tax on sales by the deemed purchase rate as the amount of tax on purchases. (Deemed purchase rates) Type 1 business (wholesale): 90%    Type 2 business (retail(*)): 80%    Type 3 business (manufacturing, etc.): 70% Type 4 business (other): 60%    Type 5 business (service): 50%    Type 6 business (real estate): 40% * Agricultural, forestry or fishery business producing agricultural, forestry or fishery products covered by the reduced consumption tax rate is categorized as Type 2 business (80%) (applicable from the taxable period that includes October 1, 2019) (excluding transactions conducted before that date).</p>											
Filing of return and payment of tax	<p>(1) Domestic transactions</p> <p>(i) Final return Corporations: must file a final return and pay the amount of tax due within two months from the day following the last day of the taxable period Individuals: must file a final return and pay the amount due by the last day of March of the following year.</p> <p>(ii) Interim return</p> <table border="1"> <thead> <tr> <th>Annual amount of tax for the immediately preceding taxable period</th> <th>Number of interim returns and payments</th> </tr> </thead> <tbody> <tr> <td>Not more than ¥0.48 million</td> <td>Interim return on a voluntary basis (once per year)</td> </tr> <tr> <td>More than 0.48 million yen and not more than 4 million yen</td> <td>Once a year (half of the annual amount of tax for the previous taxable period)</td> </tr> <tr> <td>More than 4 million yen and not more than 48 million yen</td> <td>Three times a year (one-fourth of the annual amount of tax for the previous taxable period for each filing)</td> </tr> <tr> <td>More than 48 million yen</td> <td>11 times a year (one-twelfth of the annual amount of tax for the previous taxable period for each filing)</td> </tr> </tbody> </table> <p>(2) Import transactions: Importers must file a final return and pay the amount of tax due upon accepting the import cargo from the bonded area.</p>		Annual amount of tax for the immediately preceding taxable period	Number of interim returns and payments	Not more than ¥0.48 million	Interim return on a voluntary basis (once per year)	More than 0.48 million yen and not more than 4 million yen	Once a year (half of the annual amount of tax for the previous taxable period)	More than 4 million yen and not more than 48 million yen	Three times a year (one-fourth of the annual amount of tax for the previous taxable period for each filing)	More than 48 million yen	11 times a year (one-twelfth of the annual amount of tax for the previous taxable period for each filing)
Annual amount of tax for the immediately preceding taxable period	Number of interim returns and payments											
Not more than ¥0.48 million	Interim return on a voluntary basis (once per year)											
More than 0.48 million yen and not more than 4 million yen	Once a year (half of the annual amount of tax for the previous taxable period)											
More than 4 million yen and not more than 48 million yen	Three times a year (one-fourth of the annual amount of tax for the previous taxable period for each filing)											
More than 48 million yen	11 times a year (one-twelfth of the annual amount of tax for the previous taxable period for each filing)											
Price indication	<p>Taxable business entities must indicate tax-inclusive prices (total prices) for goods and services to consumers in advance by means of price tags and advertisements. (Note) As an exemption from the obligation to indicate the total price, business entities are not required to indicate tax-included prices if they take measures to prevent the price actually indicated from being mistaken as the tax-included price. (*) This exemption is applicable from October 1, 2013, to March 31, 2021 (Act Concerning Special Measures for Pass-on of Consumption Tax). * In consideration of convenience for consumers, business entities that currently do not indicate tax-included prices based on this exemption must endeavor to adopt them as soon as practicable.</p>											