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TAX UPDATE

OFFICIAL ANNOUNCEMENT RELATING TO EXTENSION OF FILING AND PAYMENT DUE DATES

1. National Tax Agency - Extension of Payment Due Dates by Using Automatic Bank Transfer

The National Tax Agency released an announcement (Japanese only) on 27 February 2020 that the filing and payment due dates for individual income tax, gift tax and individual consumption tax for 2019 will be extended to 16 April 2020 due to the spread of the coronavirus. (We set out details in the e-Tax News No.184 [‘Extension of Filing and Payment Due Dates’](#) issued on 28 February 2020 and the e-Tax News No.185 [‘Extension of Due Dates and CSV Format Data’](#) issued on 9 March 2020.)

In relation to the above extension, the National Tax Agency released an announcement (Japanese only) on 11 March 2020 that the payment due dates for 2019 tax returns for tax payers who use automatic bank transfer will be extended as follows:

- Individual income tax and special reconstruction income tax : 15 May 2020
- Individual consumption tax and local consumption tax : 19 May 2020

Note that the payment due date for consumption tax payers who apply special measures for the following short taxable periods will be 19 May 2020:

- Quarterly taxable period for 2019 : from 1 October 2019 to 31 December 2019
- Monthly taxable period for 2019 : from 1 December 2019 to 31 December 2019
- Monthly taxable period for 2020 : from 1 January 2020 to 31 January 2020

2. National Tax Agency - Information about Rules for a Grace Period for Tax Payers Who cannot Pay National Tax due to the Effects of the Coronavirus

On 13 March 2020, the National Tax Agency released information (Japanese only) about rules for a grace period for tax payers who cannot pay national tax at one time due to the effects of the coronavirus by applying to the tax office.

The above information includes a leaflet (Japanese only) introducing the following two rules for a grace period:

[<Grace period for the conversion into cash under the national tax collection law>](#)

Where national tax cannot be paid at one time and all of the following requirements are met, by applying to the tax office, the rules regarding the seizure of assets and the conversion into cash (sales) will be extended by a period of one year or less in principle (depending on the situation, may be further deferred for one year) and some delinquent tax will be exempted during the grace period.

- There is a risk of making business continuation or maintenance of life difficult by paying national tax at one time.
- The tax payer is deemed to have a sincere willingness to pay the taxes.
- There is no delinquency of national taxes other than the national tax that is going to receive the postponement.
- Application must be submitted within 6 months from the payment due date for the national tax (for the 2019 tax return for individual income tax, gift tax and individual consumption tax, 16 April 2020).
- In principle, collateral must be provided (there may be some cases where collateral is not required).

[<Grace period for the tax payment under the general law of national taxes>](#)

In case of the following circumstances related to the coronavirus, the deferral of national tax payment is permitted for a period of one year or less in principle (depending on the situation, may be further deferred for one year) and all or part of the delinquent tax will be exempted during the grace period.

- (In case of considerable loss of property incurred due to disaster) When equipment and inventories are disposed of due to disinfection work performed at the facility where the coronavirus infection has occurred.
- (In case the person or a family member becomes sick) Among the amount of national tax that cannot be paid at one time, the cost associated with medical expenses and medical treatment in case the tax payer or a family member living in the same household becomes sick.
- (In case business is closed or suspended) Among the amount of national tax that cannot be paid at one time, the amount corresponding to the loss and expenses incurred in closing the business in case the tax payer is forced to close the business.
- (In case there is a significant loss to the business) Among the amount of national tax that cannot be paid at one time, the amount corresponding to the loss incurred in case there is significant loss due to the decrease in profits etc. incurred for the business operated by the tax payer.

3. Tokyo Bureau of Taxation - Extension of Filing Due Date for Individual Business Tax

Corresponding to the extension of the filing due date for individual income tax (National tax), the Tokyo Metropolitan Government Bureau of Taxation announced on 13 March 2020 that the filing due date for individual business tax (Local tax), which falls between 27 February 2020 and 15 April 2020, will be extended to 16 April 2020 (except for the case where a tax payer closed the business in the middle of the year).

This announcement is based on the public notice (Japanese only) by the Tokyo Metropolitan Government on 13 March 2020 and also includes the following information:

- Since a tax payer who filed an individual income tax return is regarded that the tax payer also filed an individual business tax return, the tax payer does not need to file the individual business tax return separately (except for the case that the tax payer closed the business).
- The notice of the payment request for the individual business tax is normally sent in August. However, corresponding to the extension of the filing due dates for individual income tax and individual business tax, the notice of the payment request for the individual business tax of some tax payers may be sent in September or later.

KPMG Tax Corporation

info-tax@jp.kpmg.com

home.kpmg/jp/tax-en

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