

## Contact



KPMG Tax Corporation  
Partner  
Tax Accountant  
Takashi Matsumoto  
+81-3-6229-8265  
takashi.matsumoto@jp.kpmg.com



KPMG Tax Corporation  
Senior Manager  
Tax Accountant  
Akihiko Kakizono  
+81-3-6229-8018  
akihiko.kakizono@jp.kpmg.com

### KPMG Tax Corporation

〒106-6012  
Izumi Garden Tower  
Roppongi 1-6-1, Minato ku, Tokyo  
T : +81-3-6229-8000  
F : +81-3-5575-0760

[home.kpmg/jp](http://home.kpmg/jp)

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# Property Assessment Value Correction Services

KPMG Tax Corporation  
Transaction Advisory Group

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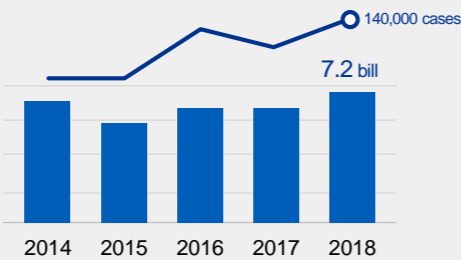
# 1 Prevalence of Overpayment of Fixed Assets Tax

In 2018, there were approximately 140,000 cases and JPY 7.2 billion in just the 23 wards and the designated cities of Tokyo

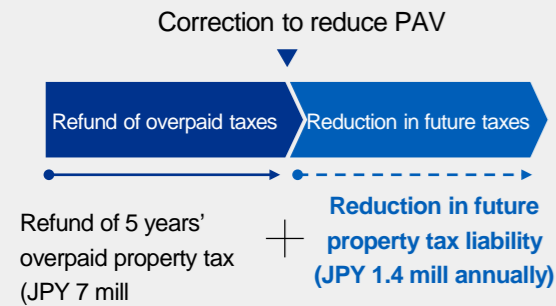
### Cause

- Local gov't employees calculating property assessment values ("PAV") are not real estate valuation experts
- Taxpayers are not provided with information on computation methods (they cannot even check the scope of depreciable assets included)

Fixed assets tax refunds processed in 23 wards /designated cities of Tokyo



## 2 Benefits of Correcting Property Assessment Values



Assuming building with PAV currently of JPY 1 billion is reduced by 10% as a result of KPMG's services

- Annual reduction in property tax of JPY 1.4 mill (= 1 billion x 10% x 1.4%)
- Refund of overpaid property tax looking back up to 5 years of JPY 7 mill (=1.4 mill x 5 yrs)

※The above figures are hypothetical. We cannot in any way guarantee that similar results will be achieved by engaging KPMG to provide PAV correction services.

## Fixed Assets Tax Assessment Value Correction Services

- Point 1** Potential to claim refund for overpaid fixed assets tax, real property acquisition tax and registration and license tax
- Point 2** Send us documents, and get free assessment of potential for refund
- Point 3** Success based fees, so if we don't deliver, you don't pay

# 2 KPMG's Strengths



Extensive real estate tax knowledge and experience analyzing assessment values for over 10,000 buildings in Japan ※

### Abundant Empirical Data

Effective analysis and appraisal on basis of tax documents provided

### Knowledge of Local Governments

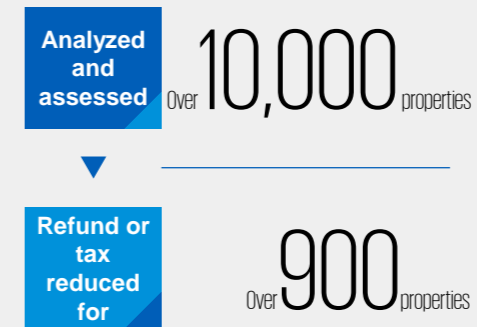
Ability to propose appropriate corrective actions specific to each property based on our extensive knowledge of local governments

### Understanding of Trends

Ability to assess potential increase in risks, rather than simply analyze corrective assessment

※Service provided in cooperation with a first class authorized architectural office

## 3 KPMG's Experience

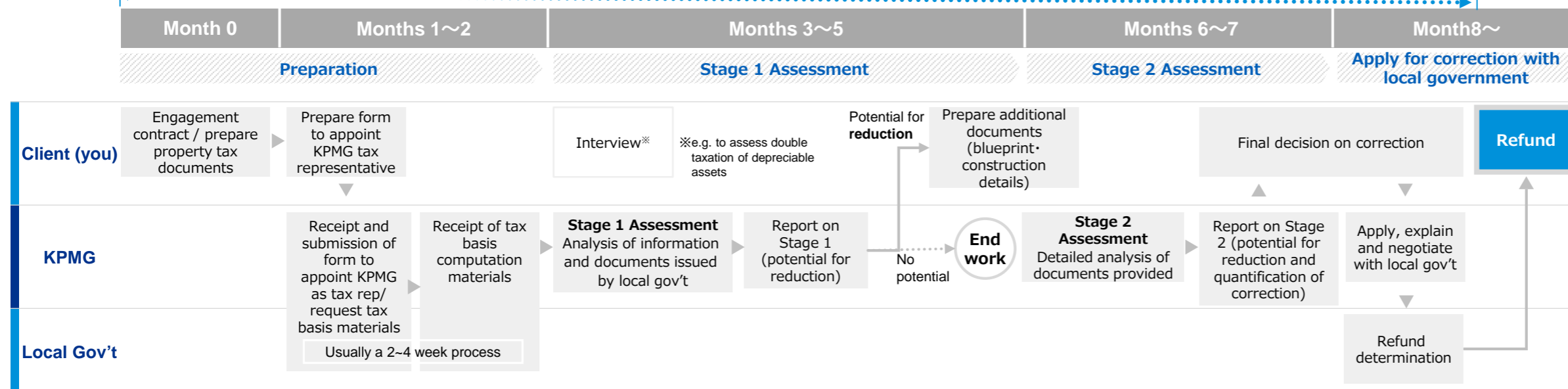


### Examples of Refund/Reduction of Tax

Property Type	Area	Refund value
Factory	Gifu Prefecture	JPY 110 million
Office	Fukushima Prefecture	JPY 100 million
Office	Gunma Prefecture	JPY 68 million

# 2 Approach

Potentially no fees to assess potential for benefit / petition for correction



# 3 Fee arrangement

- A 100% Contingency Fee**  
50% of actual refund and reduction in future taxes
- B Hybrid Fees\***  
Partially time based + partially success based

※Can be applied for provision of services to KPMG audit clients including KPMG group company KPMG Azsa LLC's audit clients