



KPMG Japan e-Tax News

No.218 4 February 2021



TAX UPDATE

NATIONAL TAX AGENCY - UPDATE OF FAQs RELATING TO COVID-19

1. Update of FAQs about the Tax Treatments for the Tax Filing and Tax Payment Procedures, etc. relating to COVID-19

On 2 and 3 February 2021, the National Tax Agency updated the 'FAQs about the tax treatments for the tax filing and tax payment procedures, etc. relating to COVID-19' (Japanese only) which have been updated several times since the original release on 25 March 2020.

For example, the following FAQs are updated:

■ 1 Extension of Filing and Payment Due Dates

On 2 February 2021, the National Tax Agency released an announcement (Japanese only) that the filing and payment due dates for individual income tax, etc. for 2020 will be extended to 15 April 2021 due to the spread of COVID-19. (We set out details in the e-Tax News No. 217 ['National Tax Agency - Extension of Filing and Payment Due Dates for Individual Income Tax, Individual Consumption Tax and Gift Tax for 2020'](#) issued on 3 February 2021.)

This section is newly added corresponding to the above announcement about the extension of filing and payment due dates and includes the following contents:

Q2. Extension of due dates for various applications and notifications other than filing

The FAQ explains that the procedures for the extension of due dates cover the procedures of various applications, claims, notifications and other documents submitted to the tax office as well as the filing and tax payment procedures. The main procedures for individual income tax, gift tax and individual consumption tax, etc. are also listed.

Q9. Tax items other than individual income tax, etc.

The extension of filing and payment due dates is provided from the perspective of ensuring a sufficient filing period and thoroughly relieving congestion at places where the final tax returns are filed due to the overlap of the state of emergency period with the final tax return filing period for individual income tax, etc. for 2020. Therefore, the FAQ explains that tax items such as corporation tax and inheritance tax are out of scope of the extension of filing and payment due dates, because those taxes are irrelevant in connection with

the places where tax returns are filed.

■ 2 Extension of Filing and Payment Due Dates by Individual Application

Corresponding to the addition of section 1 above, the FAQs in the existing section 'Extension of Filing and Payment Due Dates by Individual Application' are updated, which includes the following update of FAQs regarding the final tax return filing of individual income tax, etc. for 2019 and the extension of filing and payment due dates for taxes other than income tax, etc. by individual application :

Q1. Where a final tax return for 2019 will be filed from now on

The following information is addressed:

- Where a final tax return for individual income tax, etc. for 2019 will be filed from now on due to the effects of COVID-19, the final tax return for 2019 should be filed by the time of filing of the final tax return for 2020 (or at the same time of filing of the final tax return for 2020)
- Where a final tax return for 2019 is filed after the filing due date of the final tax return for 2020, which will be extended to 15 April 2021, such filing will be treated as a late filing in principle, unless the taxpayer has unavoidable reasons due to disaster, etc. for not being able to file the final tax return for 2019 by the filing due date of the final tax return for 2020.
- Where other tax returns or applications, etc. including a final tax return for 2020 are submitted/filed before the filing of a final tax return for 2019, it is treated that there are no unavoidable reasons for not being able to file the final tax return for 2019 in principle and such filing of the final tax return for 2019 will be treated as a late filing.

Q1-3. Extension of filing and payment due dates for taxes other than income tax etc. by individual application

Due to the spread of COVID-19, it is considered that many taxpayers of corporation tax or inheritance tax, etc. will face difficulties in filing tax returns and the payment of those taxes. Those taxpayers will be allowed the extension of filing and payment due dates under simple procedures by individual application.

In addition to the above, the FAQs regarding the grace system for national tax payment are updated corresponding to the expiration of the applicable period for the 'special rules for a grace system for national tax payment' explained in '2. Update of FAQs about Grace System for National Tax Payment' below.

2. Update of FAQs about Grace System for National Tax Payment

On 2 February 2021, the National Tax Agency updated the 'Frequently Asked Questions about Grace System for National Tax Payment' (Japanese version) which have been updated several times since the original release on 30 April 2020.

The FAQs address the basic treatment of the grace system for national tax payment including the 'special rules for a grace system for national tax payment'^(*) (hereinafter referred to as 'Special Rules') established by the 'Act on Temporary Special Provisions for National Tax Laws to Respond to COVID-19', which was promulgated and enforced on 30 April 2020.

^(*) The Special Rules are applicable to national taxes whose payment due dates are between 1 February 2020 and 1 February 2021. (Please refer to the below webpage for details of the Special Rules.)

With this update, the existing FAQs describing the treatment of the Special Rules are updated corresponding to the expiration of the applicable period of the Special Rules on 1 February 2021.

New FAQs are also added which explain the application procedures for the case where there are unavoidable reasons for not being able to apply for the Special Rules by the due date, how to replace by another grace system, etc.,

Note that the English version of '[Frequently Asked Questions about Grace System for National Tax Payment \(As of December 15, 2020\)](#)' (PDF 681.0KB) on the webpage '[For taxpayers who face difficulty paying their national tax due to the influence of the novel coronavirus disease \(COVID-19\)\(Last update: January 26, 2021\)](#)' has not been updated yet.