



KPMG Japan e-Tax News

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TAX UPDATE

2021 TAX REFORM - PASSAGE OF THE BILLS

The 2021 tax reform bills were passed by the 204th ordinary session of the Japanese National Diet on 26 March 2021. The main items of the 2021 tax reform are as follows:

■ Corporate Taxation

- Special measures for promoting investment in digital transformation
- Special measures for promoting investment for carbon neutrality
- Special measures for tax loss brought-forwards
- Tax credits for R&D costs
- Tax measures for promoting M&A using own shares

■ International Taxation

- Tax measures for global financial city (Relaxation of requirement for deduction of directors' compensation, amendments to inheritance tax/gift tax levied on overseas properties of foreign talent, etc.)

■ Improvements in Tax Administration Matters

- Requirement for using a seal on tax-related documents
- Electronic preservation system for account books, etc.
- Provision of the application form for tax treaty, etc. by electromagnetic method
- Tax agent system

The following back issues of the KPMG Japan tax newsletter include brief summaries of the above items:

- [Outline of the 2021 Tax Reform Proposals](#) (18 December 2020)
- [2021 Tax Reform Proposals - Amendments to the Electronic Preservation System](#) (26 January 2021)

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