



# Tsukuba!

# No. 3


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English

## Topic: Year-End Tax Adjustment and Tax Returns

【年末調整と税の申告について】

Tax-related procedures are very important for everyone living and working in Japan. In this issue, we will guide you through the procedures to ensure that you complete the year-end tax adjustment and tax filing procedures. Even if you have no income, you may need to file a tax return, so please make sure you know what procedures to follow.

 *Note: Tax procedures vary depending on each individual's situation. This issue contains general information. If you have any questions, please contact the tax office or the city's Tax Division.*

### Year-end Tax Adjustment (年末調整 *Nenmatsu Chosei*)

The **year-end tax adjustment** is a process in which a company calculates an employee's income tax for the year and adjusts for any excesses or deficiencies. In Japan, most salaried employees receive a year-end tax adjustment so that they do not have to file an income tax return separately. However, in some cases, a tax return may still be required. (See page 4 for more information on tax returns.)

1. Eligible persons: Employees of a company

Note: Persons whose annual salary income exceeds 20 million yen, sole proprietors and freelancers are not eligible.



2. Timing: Around November, your company will ask you to submit documents for the year-end tax adjustment.

Tax adjustment forms you need to submit	Tax deduction	Additional documents you need to submit	Notes
Application for (Change in) Exemption for Dependents  Note: Everyone must submit.	Deductions for dependents, persons with disabilities, widows(ers), single parents, working students	<b>【To receive deductions for relatives living abroad】</b> ① Documents concerning relatives ② Documents concerning remittances	• You must submit the form even if you are not eligible for the deduction such as dependent deduction. • If you are paid by more than one employer, submit the form to your primary employer.
Application for Basic Exemption and  Application for Exemption for Spouse	Basic Exemption  Exemption for Spouse, Special Exemption for Spouse		You'll be eligible for the deduction if your annual net income is 10 million yen or less and your spouse's annual net income is 1.33 million yen or less.
Application for Deduction for Insurance Premiums	Deduction for insurance premium such as life insurance, earthquake insurance, social insurance, or small business mutual aid premiums	A document such as a deduction certificate and premium payment certificate issued by an insurance company or other entity	
Application for Special Tax Deduction for Housing Loans	Special tax deduction for housing loans	A document such as an outstanding housing loan statement issued by a bank or other entity which shows the remaining balance on your housing loan	In the first year of receiving mortgage deduction, you must file an income tax return instead of a year-end tax adjustment.

**【Note】** Gross income (収入 *Shunyu*) refers to the total money received from all sources including work and investment. Net income (所得 *Shotoku*) refers to the amount left after subtracting expenses and taxes.



## Flowchart : What procedures do you need?

Start

Find out whether you are required to file a Municipal/Prefectural Tax (Residential Tax) and/or National Health Insurance Tax Return.

*\*This is a simplified judgment flowchart, so please contact us if you have any questions.*

Did you reside in Tsukuba as of January 1 of this year?

No

You cannot file a tax return in Tsukuba City. Please contact the Municipal Tax Division of the municipality in which you resided on January 1 of this year.

Yes

What income did you have during the previous year (January 1-December 31)? (A-E)

**A**

You do not have any Income and; (Please note that you will be considered as having no income if you receive non-taxable sources such as survivor's pensions, disability pensions and livelihood assistance.)

- You are covered by the National Health Insurance or Medical Care Insurance for the elderly aged 75 and over.
- You are on a Medical Welfare System called *Marufuku* and/or receive the Disability Basic Pension.
- You will apply for exemption or reduction of national pension contributions.
- You use nursing care services and will apply for a service fee reduction scheme.
- You use other government services that require you to file tax returns.
- You need a certificate showing that you had no income.
- You wish to obtain a certificate at a convenience store using your My Number Card. (To print official certificates from Tsukuba City such as a certificate of residence (住民票 *Juminhyo*) etc. at a convenience store, you need to be registered as a resident of Tsukuba City.)

Go to ①

- You are a dependent of a family member residing in Tsukuba.

Go to ②

**B**

Your main source of income is public (or other) pension and;

- Your public (or other) pension income exceeds 4 million yen.
- Your income other than your public (or other) pension income exceeds 200,000 yen.
- You will claim deductions to get a tax refund such as deductions for social insurance, life insurance, earthquake insurance, widows(ers), persons with disabilities, dependents and medical expenses.
- You will receive public (or other) pensions that are not subject to withholding at source such as pensions paid in a foreign country.

Go to ③

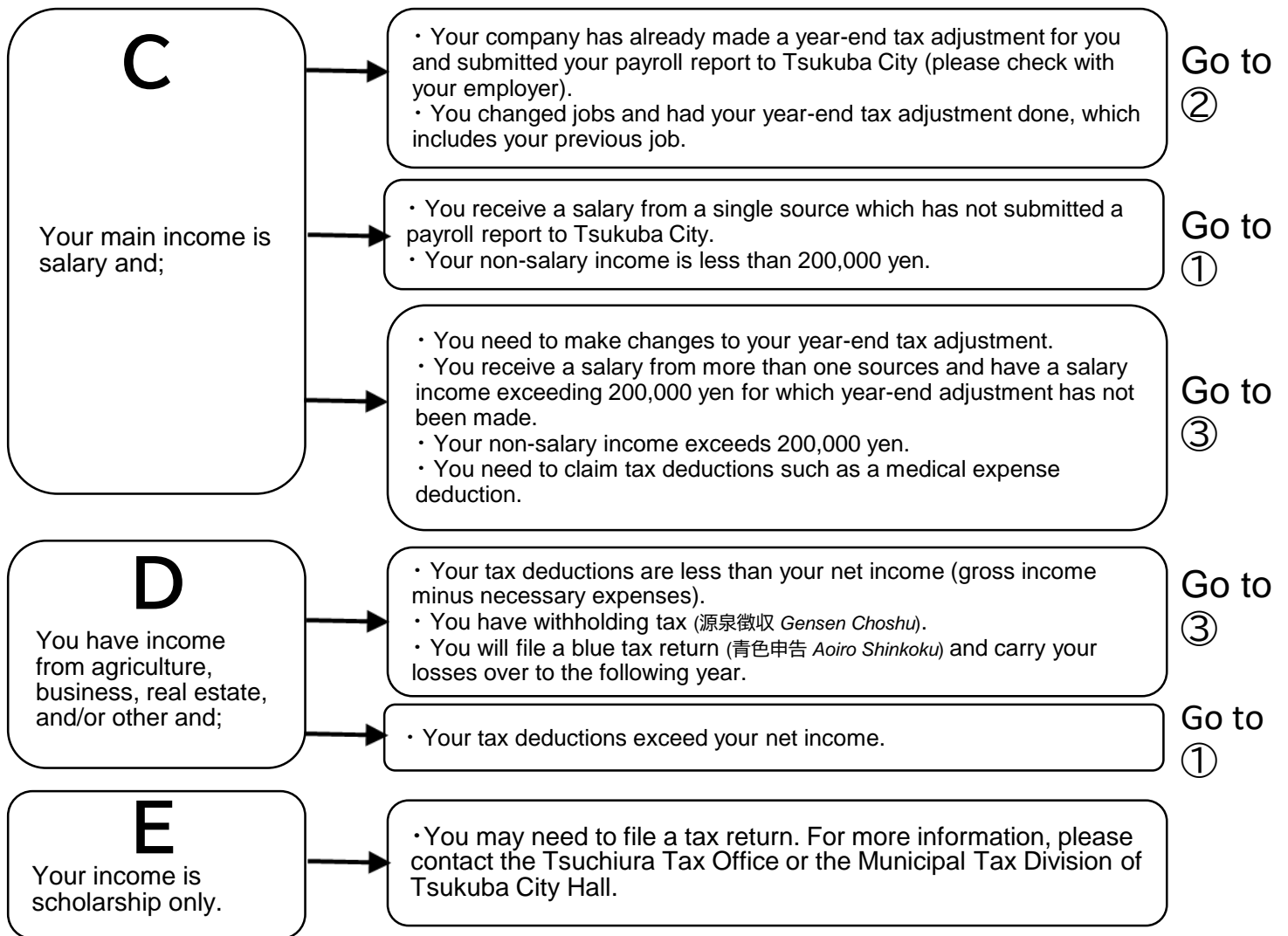
- Your public (or other) pension income is less than 4 million yen, and your other income is less than 200,000 yen.
- You will claim deductions though you will not get a tax refund.

Go to ①

\*If you receive a public (or other) pensions that are not subject to withholding at source such as pensions paid in a foreign country, go to ③

- Your income is solely from public (or other) pension and you do not have any changes regarding your dependents since you submitted "Declaration of Dependents" to the Japan Pension Service.

Go to ②



## Result

### ① You need to file your Municipal/Prefectural Tax Return.

• If you have no income, please refer to the example of how to fill out the municipal/prefectural tax return form for persons with no income which you can find on the official website of Tsukuba City.

• Please file your tax return after receiving a certificate of withholding tax (源泉徴収票 *Gensen Choshuhyo*) or a payroll report (支払調書 *Shiharai Chosho*).

• If you have income from personal business or other sources, please prepare and submit a “Statement of Income and Expenses” (収支内訳書 *Shuhi Uchiwakesho*) summarizing your gross income and expenses.

The two-dimensional code for the Municipal/Prefectural Tax Return form can be found on page 4.

Please submit the form in person or send it via post to the Municipal Tax Division of Tsukuba City Hall.

305-8555, 1-1-1 Kenkyugakuen, Tsukuba City

To: Municipal Tax Division, Finance Department, Tsukuba City Hall

### ② You do not need to file your tax return.

You do not need to file a Municipal/Prefectural Tax Return or Income Tax Return.



### ③ You need to file your Income Tax Return to the tax office.

If you have any questions, please contact the tax office for the municipality you live in.

(For residents in Tsukuba City, please contact Tsuchiura Tax Office [029 822 1100 (only available in Japanese)]).

## **Income Tax Return (確定申告 *Kakutei Shinkoku*)**

**Income Tax Return** is the process in which individuals report their year's net income (gross income - necessary expenses) to the tax office in order to calculate the amount of taxes owed or refunded. Sole proprietors, freelancers, or those who have income from two or more places need to report a summary of their gross income and expenses for the year, as well as taxes paid. This will settle any over or under payment of taxes. If you overpaid, you would receive a refund, and if you underpaid, you would need to pay the remaining amount.

1. **Who needs to file an income tax return:** Those whose result is ③ in the flowchart on page2-3.
2. **When to file an income tax return:** February 16 to March 15 every year

\*If the above-mentioned day falls on a Saturday, Sunday, or holiday, the start/due date will be extended to the next business day.

**Sole proprietors and freelancers:** You must record and organize your income and expenses. Prepare a ledger book recording your sales and expenses and file a tax return based on the ledger book.

As a sole proprietor or freelancer, you may choose to file either a blue tax return (青色申告 *Aoiro Shinkoku*) or white tax return (白色申告 *Shiroiro Shinkoku*). Filing a blue tax return requires a ledger book but offer more tax benefits, while filing a white return is easier but offers fewer tax benefits.

You can deduct expenses incurred for work (such as computer purchases for work and transportation costs) from your income.

**Employee:** Most employees do not need to file their tax returns by themselves because their companies perform year-end adjustments. Therefore, you do not need to file an income tax return by yourself. However, if you earn more than a certain amount of income from a side job, or if you receive deductions for medical expenses or a mortgage, you must file your own tax return.

## **Municipal/Prefectural Tax Return**

**Municipal/Prefectural Tax Return** is a process in which you report your annual income for the year to the municipality where you reside and have your municipal/prefectural taxes (as well as national health insurance tax) calculated.

1. **Who needs to file a Municipal/Prefectural Tax Return:** Those whose result is ① in the flowchart on page2-3.
2. **Due date:** March 15 every year

\*If the above-mentioned day falls on a Saturday, Sunday, or holiday, the start/due date will be extended to the next business day.

### **【Caution】**

If you do not file a Municipal/Prefectural Tax Return, the city cannot accurately grasp your income information, therefore, cannot accurately calculate your taxes and fees such as your National Health Insurance tax, nursing care insurance premiums, child allowance, daycare fees. In addition, the city cannot issue official certificates such as tax/tax-exempted certificates or income certificates.

### **Note from translator/ 翻訳者から一言**

Winter is the season of Christmas Lights! In Tsukuba, you can see gorgeous Christmas lights in various places, such as streets and parks, adding a warm glow to the city at night. Although it is getting colder, why don't you go outside in your winter clothes, feel the cool breeze, and enjoy the change of the season?

Wishing you a Happy Christmas and a Happy New Year.

冬といえばイルミネーションの季節です！つくばでも、市街地や公園などの様々な場所で華やかなイルミネーションが輝き、夜の街に温かな光を添えています。寒さが日に日に増してきますが、冬の装いで外に出かけ、ひんやりとした風を感じながら、季節の移り変わりを楽しんでみてはいかがでしょうか。

年末年始に向けて何かと忙しい時期ではありますが、どうぞ暖かくして、良いお年をお迎えください。



【Reference】  
Input Manual for Foreigners'  
Tax Return Preparation  
Corner (2023 Edition)



Municipal/Prefectural  
Tax Return Form