

Japan Extends 2019 Individual Tax Payment and Filing Deadlines to April 16, 2020

March 2020

In brief

Japan's National Tax Agency ("NTA") announced at the end of February that the deadline to pay tax and file 2019 individual income tax returns, individual consumption tax returns, and gift tax returns would be extended to April 16, 2020, in light of issues created by the COVID-19 virus (the Coronavirus).¹ In a new announcement on March 6th, the NTA has provided additional details regarding the scope of the extension, and relevant procedures.²

In detail

The NTA has clarified as follows:

- The extension covers tax returns for individual income tax (resident and non-resident individual income tax returns), gift income, and (in the case of a sole-proprietorship) local and national consumption tax, as well as other forms and applications in connection with these returns.
- The extension also covers the Asset and Liabilities Report form and Overseas Assets Report form for 2019.
- Taxpayers do not need to file a request in order to receive the payment and filing extension; it is granted automatically under the National Tax Procedure Law Art. 11, and Art. 3-2 of the enforcement order.
- The extension is available to both Japan resident and non-resident filers.
- The extension applies both in the case of e-filers and paper filers.³
- The filing deadline for the above listed tax returns and forms is extended until Thursday, April 16.
- Note that this special extension does not apply to corporate income tax or corporate consumption tax returns, although the tax authorities would consider providing an extension to a specific taxpayer facing hardship on a case-by-case basis, if such taxpayer requests an extension.

¹ (In Japanese) <https://www.nta.go.jp/taxes/shiraberu/shinkoku/kansensho/pdf/0020002-130.pdf>.

² (In Japanese) <https://www.nta.go.jp/taxes/shiraberu/shinkoku/kansensho/kigenencho.htm>, <https://www.nta.go.jp/taxes/shiraberu/shinkoku/kansensho/tetsuzuki.htm>.

³ The tax authorities note that filers who are feeling ill are requested to refrain from filing in person at the tax office.

The takeaway

Individual taxpayers and sole proprietors are advised to consider the scope and recommended timing of tax filings in consultation with their Japan tax advisors. Corporate taxpayers facing difficulty complying with March tax filing deadlines as a result of COVID-19 measures should also consult with their Japan tax advisors to determine if theirs is a case that may be eligible for special extension.

In addition, it's expected further information will be released (especially administrative information such as the tax payment date for individual taxpayers who pay by automatic bank transfer) and given the continuing changes in business processes as a result of COVID-19, all taxpayers are advised to monitor other announcements by the NTA that may provide more flexibility in terms of tax compliance.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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