

## Income tax

### About income tax

Income tax is the tax imposed by the state on a person's income for a year from January through December. Income tax is automatically deducted from a salary-worker's salary each month. (This is called "withholding tax at the source" (gensen choshu), or deducted from one's salary (kyuyo tenbiki).

Depending on whether a foreigner is a resident or non-resident, the tax limits and rates are different. (A resident is a person who has an address in Japan or who has lived continuously in Japan for 1 year or more.)

Foreign residents must pay the same tax rates as ordinary Japanese.

Non-resident foreigners, with the exception of tax exemption because of a tax treaty, have, in principle, a 20.42% tax imposed on their income.

### Withholding tax at the source statement [*Gensen choshu-hyo*]

The Withholding tax at the Source Statement indicates the amount of income tax you have paid from January through December for the stated year and is given to you by your employer by the end of January of the following year.

If you have quit your employment, you should obtain a Withholding Tax at the Source Statement from your employer within one month from the date you left your employment.

The Withholding Tax at the Source Statement is proof of payment of tax. Since it is necessary when applying for a renewal of your status of residence, it is important to keep it safe.

### Year-end adjustments

At the end of each year, adjustments are made in the tax deducted from a person's salary every month for total income, insurance premium payments, etc. If there is an excess or shortage in the income tax, adjustments will be made. These adjustment procedures are done by the employer.

Family members living abroad may be considered as dependants. For details, enquire at your tax office or tax consultation office.

### Enquiries

(1) Nishinomiya Tax Office    Tel: 0798-34-3930

(2) "TAX ANSWER" Homepage    <https://www.nta.go.jp/taxes/shiraberu/taxanswer/index2.htm>

Note    For details, ask a person who understands Japanese to enquire for you.