

# Taxes

Foreign nationals must pay tax just as Japanese citizens do.

There are direct and indirect taxes. Direct taxes include income tax paid to the central government and resident tax paid to the prefecture, city, town, or village. Indirect taxes are those paid when you purchase a product.

Taxes can also be divided into national tax and local tax.

## 1. Income tax (National tax)

Income tax is levied on income of the previous year from January 1 to December 31.

There are two ways to pay the tax. One is the declaring system which is done by merchants, for example, calculating the tax by themselves. The other is the withholding system which is done by salaried employees, with tax being deducted automatically from monthly salary payments.

## 2. Resident Tax (local tax)

Resident tax is tax that is levied on your private income of the previous year according to where you resided on January 1.

## 3. How to pay taxes (expect for persons whose tax are deducted from their salary)

The amount of income tax and resident tax due varies according to annual income and the number of your dependents.

The persons who don't make year-end adjustment (*nenmatsu-chosei*) at their workplace must declare annual income and income tax at the tax office or city hall from February 16 until March 15. In June, the city hall will send a notice concerning the amount of resident tax due which is then paid in four annual installments (August, October, December, and February)

- As the income tax may be refunded under certain conditions, should you know in advance when you will move from Japan, please contact the Tax Office or the Tax Division of Mishima City Hall. For further information about taxes and tax payments, contact the Tax Division of Mishima City Hall. Please have someone who can speak Japanese assist you.

## 4. Small vehicle tax

This tax is imposed on those who possess a car (660cc or under) and/or a motorbike (50cc or under) as of April 1. You will receive a notice from Mishima city in April notifying you. If you transfer ownership or scrap the vehicle, please notify the Light Vehicle Association or Mishima City Hall.

## 5. Other Taxes

National Health Insurance coverage requires tax payments. (See page 13 and 15)

**Inquires:** Inhabitants Tax Division, Mishima City Hall main building, 1F (Phone: 983-2626). Please bring along someone competent in Japanese.