

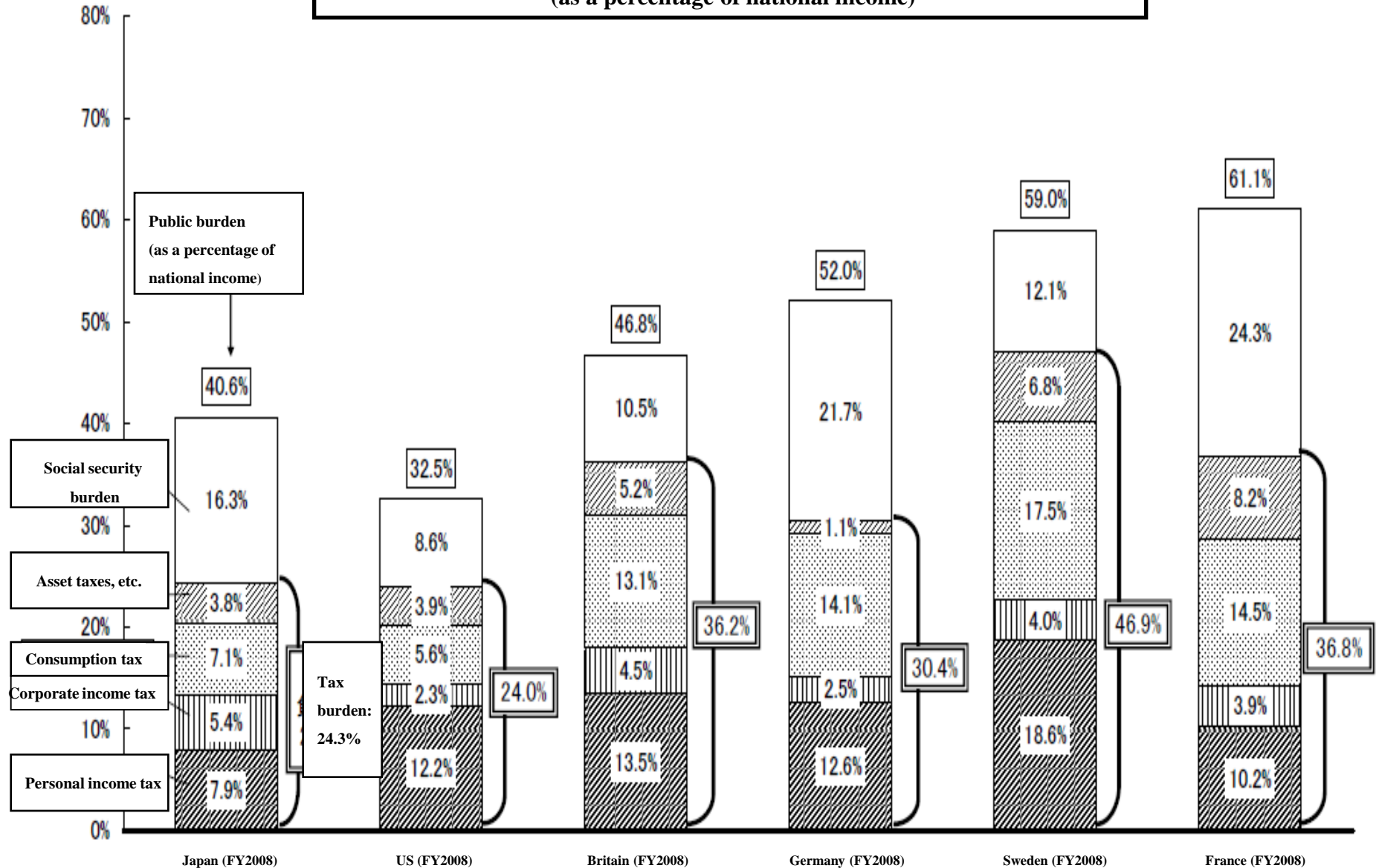
Not only “consumption tax” but
also “personal income tax”

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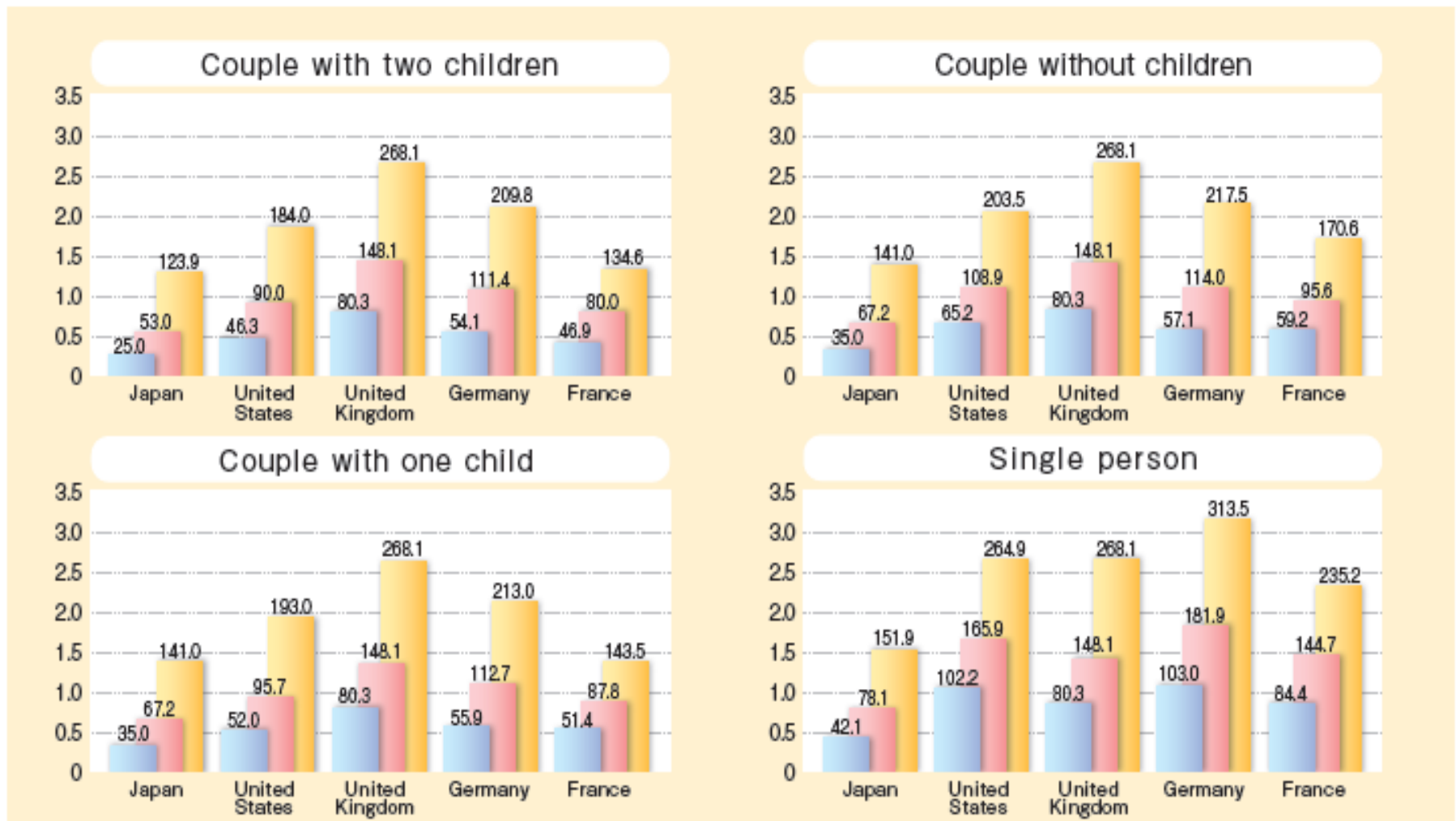
International Comparison: Breakdown of Public Burden (as a percentage of national income)



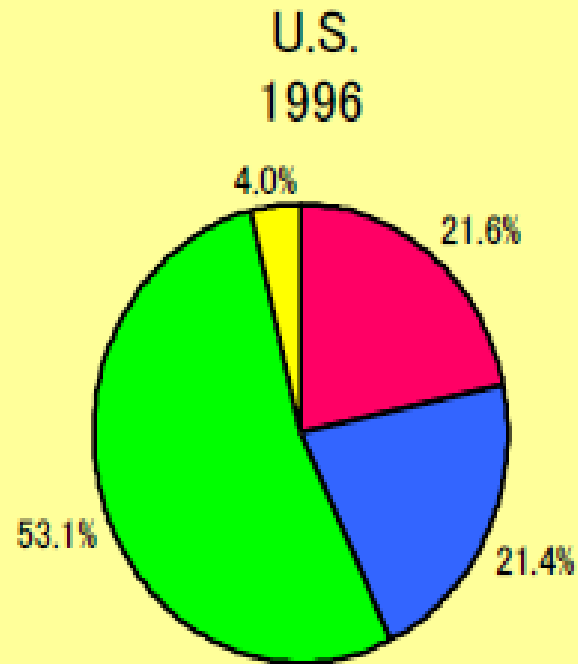
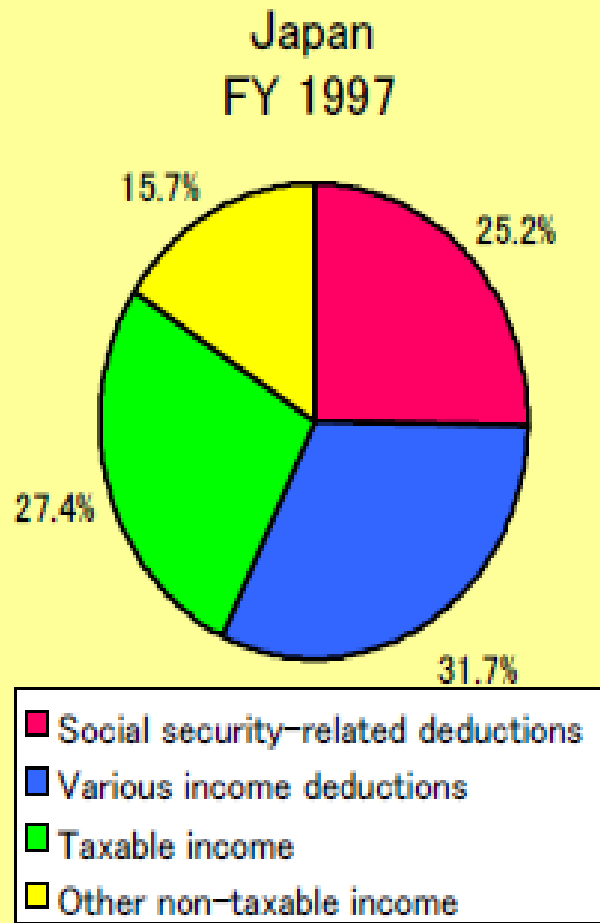
The burden of individual income tax in Japan is lower than that in other countries.

■ International comparison of burden of individual income tax, by employment income

■ Employment income 10 million yen
 ■ Employment income 7 million yen
 ■ Employment income 5 million yen
 (As of July 2011) (Unit: million yen)



Japan-U.S. Comparison of Personal Income Tax (Tax Base)



(Note) For specific method of estimation, see Shigeki Morinobu, Satoko Maekawa "Comparative Analysis of Income Tax Base with the U.S." Zeiken No.89 (2000). But the estimates for Japan were re-computed in line with the change of SNA statistics.
(Source: Shigeki Morinobu "Japanese Tax System" PHP Shinsho)

(Figure4)

Changes of Japanese Income Tax Base

	A 1980	B 1990	C 1998	B-A	C-B	C-A
Social security not included in tax base	20.08	24.29	29.90	+4.21	+5.61	+9.82
Employers' contributions to social security	4.20	5.36	6.32	(+1.16)	(+0.96)	(+2.12)
Deductions for social insurance premiums	4.85	5.50	6.16	(+0.65)	(+0.66)	(+1.31)
Social insurance benefits	7.73	10.72	14.66	(+2.99)	(+3.94)	(+6.93)
Income deduction	39.30	33.27	31.52	▲6.03	▲1.75	▲7.78
Personal exemption	19.05	14.70	11.86	▲4.35	▲2.84	▲7.19
Basic deduction	7.67	5.92	5.18	(▲1.75)	(▲0.74)	(▲2.49)
Exemption for spouse	4.01	1.86	1.55	(▲0.36)	(▲0.75)	(▲1.11)
(Special exemption for spouse)		1.79	1.35			
Exemption for dependents	7.37	5.13	3.78	(▲2.24)	(▲1.35)	(▲3.59)
Necessary expenses of employment income earners	19.26	17.83	18.97	▲1.43	+1.14	▲0.29
Employment income deduction	17.94	15.82	16.58	(▲2.12)	(+0.76)	(▲1.36)
Other tax-exempt items	8.29	8.95	7.60	+0.66	▲1.35	▲0.69
Tax base	32.33	33.50	30.98	+1.77	▲2.52	▲1.35

((Note) The tax base calculation method is based on Morinobu, Maekawa "Macro Estimate of Japanese Income Tax Base" (Financial Review No. 57).