

Subtopic 2.3: “Joint or simultaneous filing of tax declarations for national and provincial governments (VAT, CIT, PIT, others)”



The e-filing System of Japan

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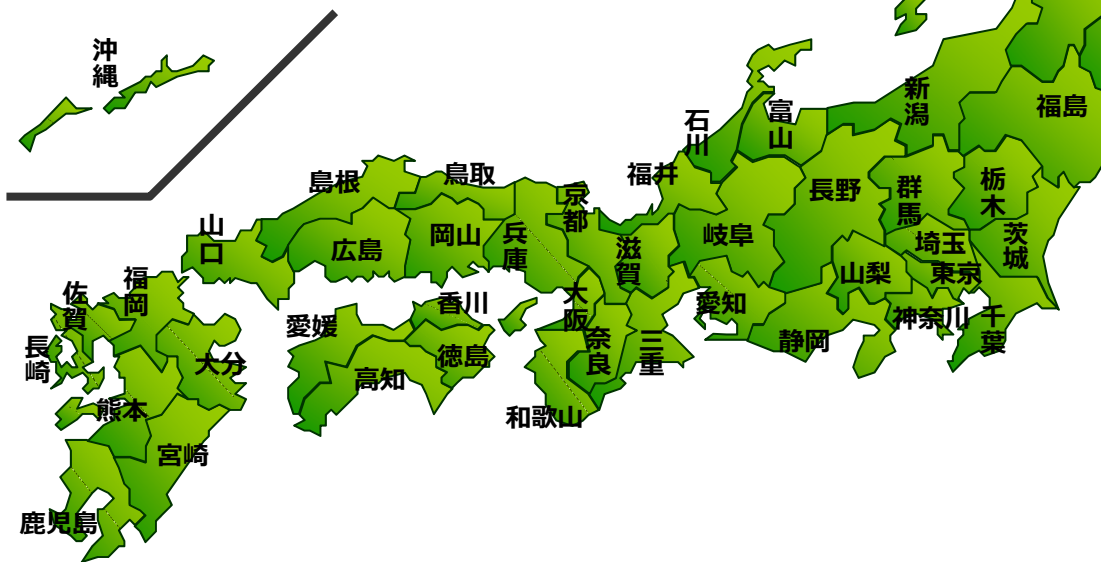
The Canon Institute for Global Studies



Today's topics

- Background
- Current situation
- Future challenges

Japan

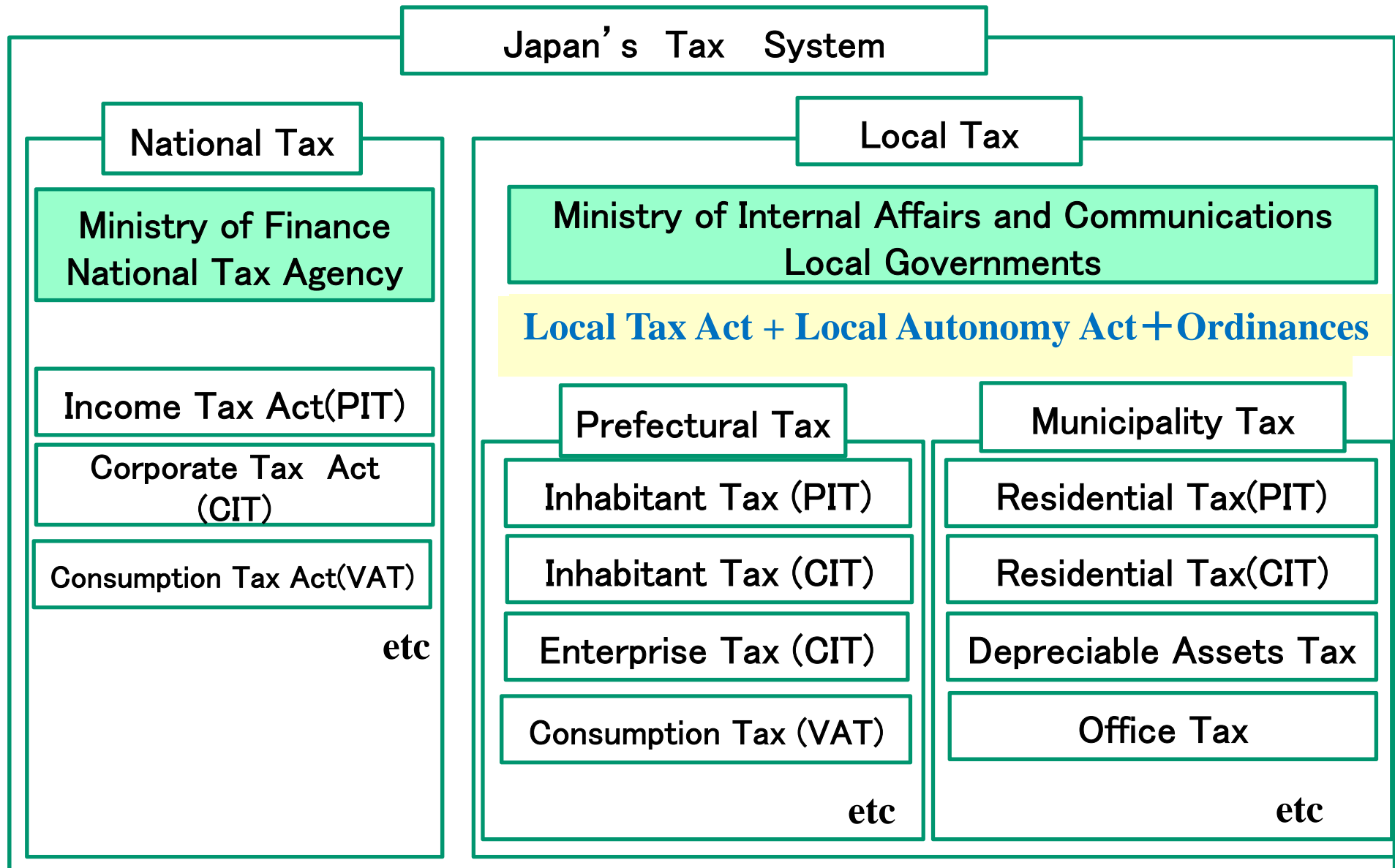


Background of Japan's e-filing system

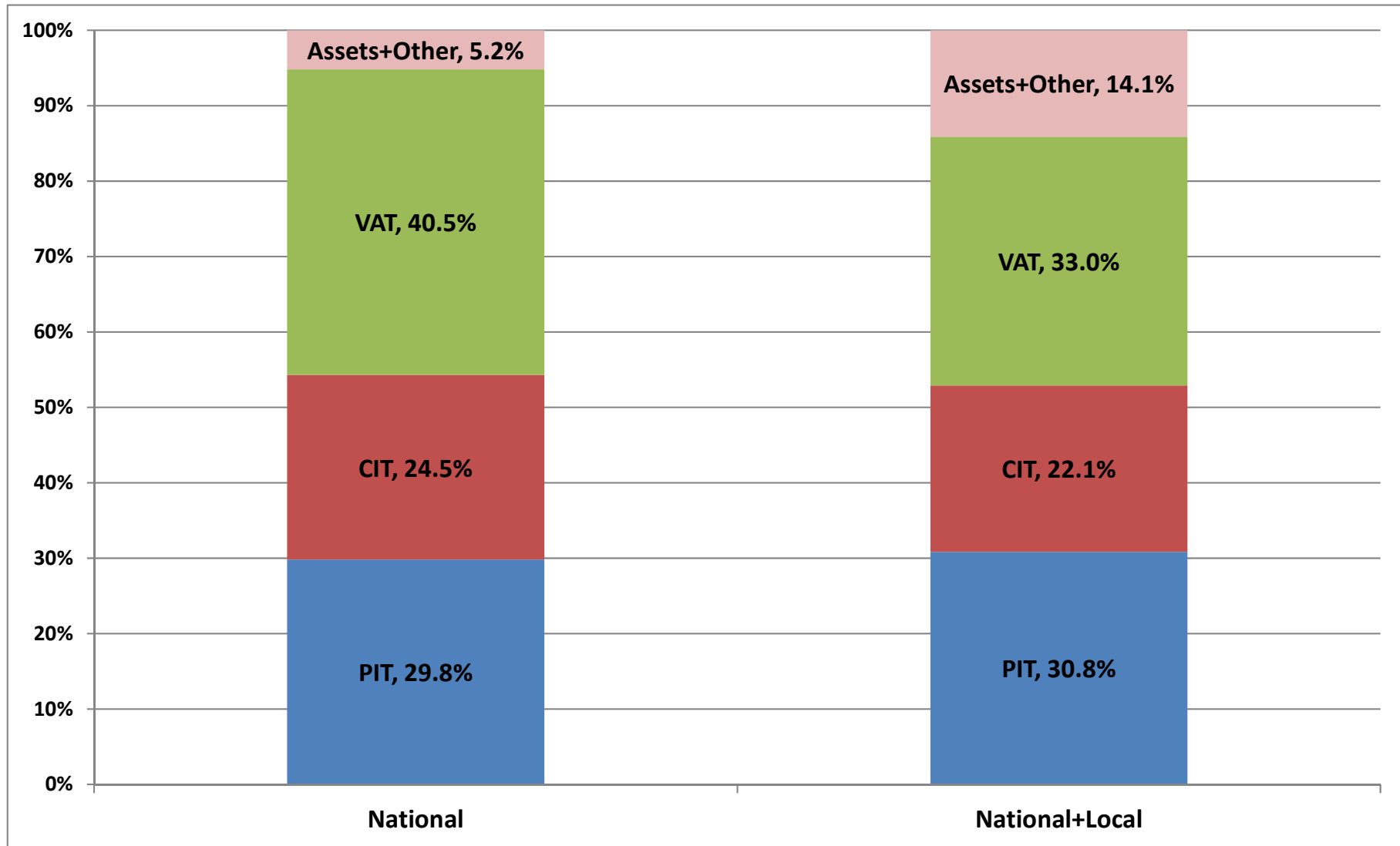
- National and local tax systems: organization and law
- National and local tax systems: operation and budget
- Decline in the number of tax staff in the National Tax Agency and local governments
- Psychology of the Japanese people



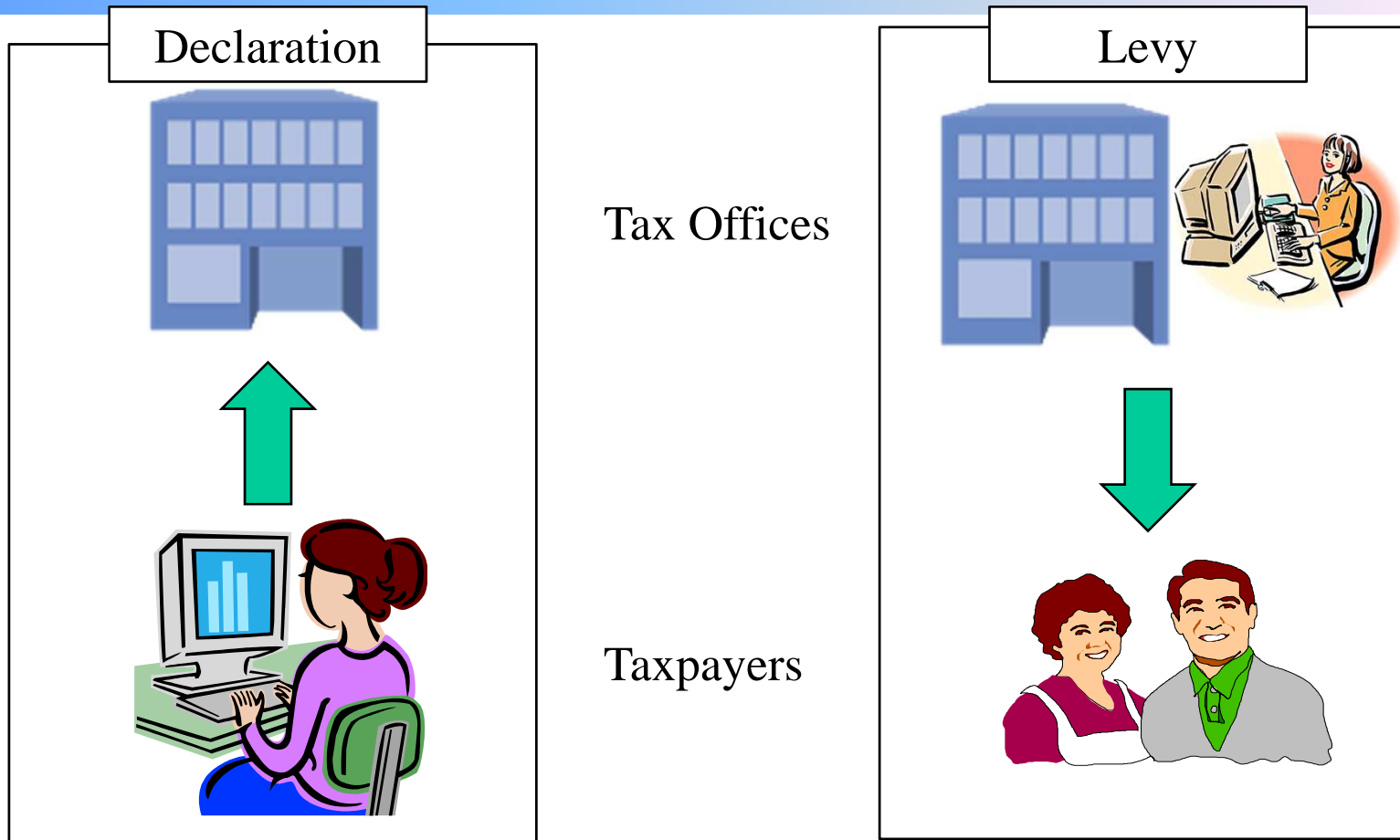
National and local tax systems: organization and law



Composition of taxes



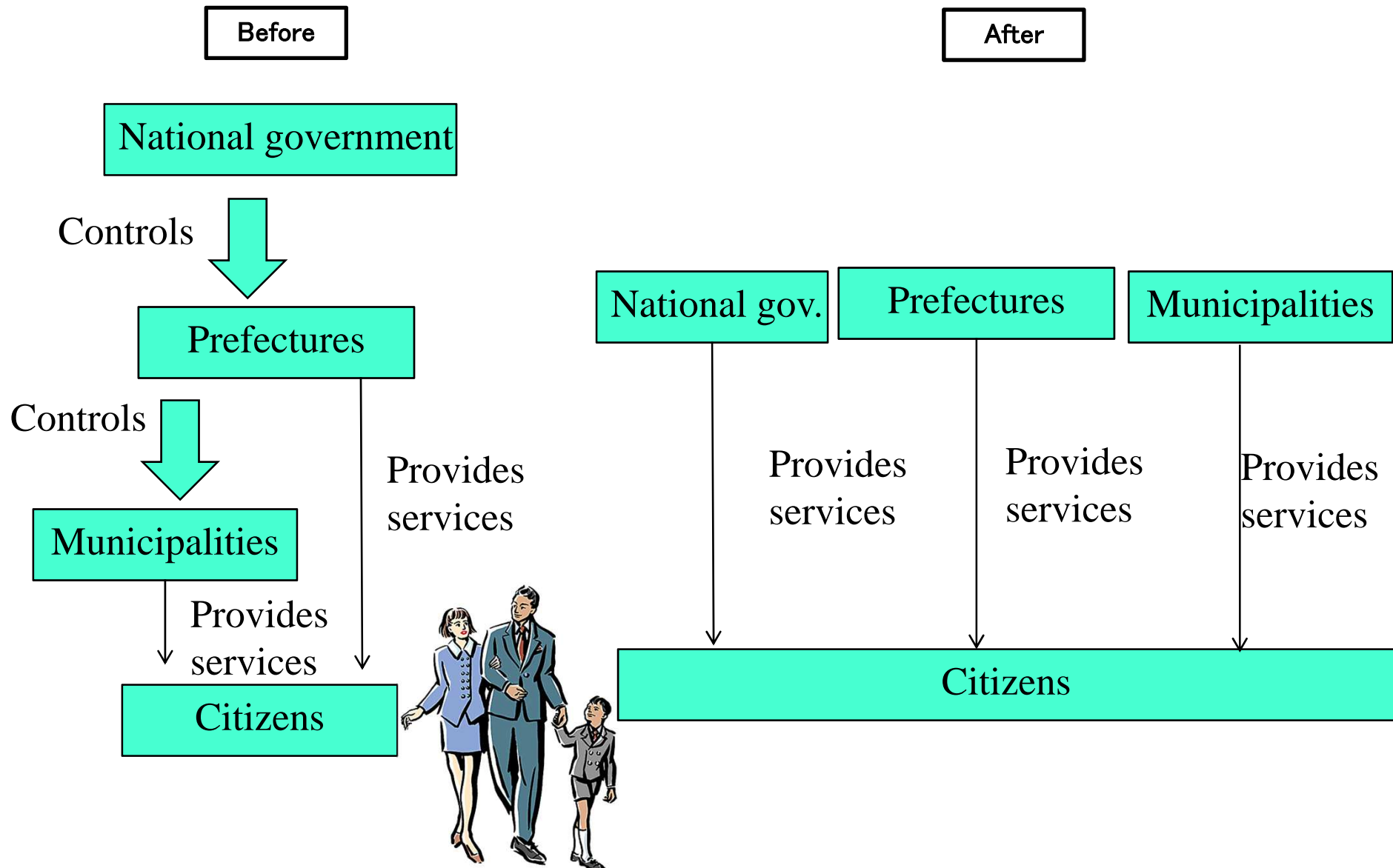
Declaration versus levy



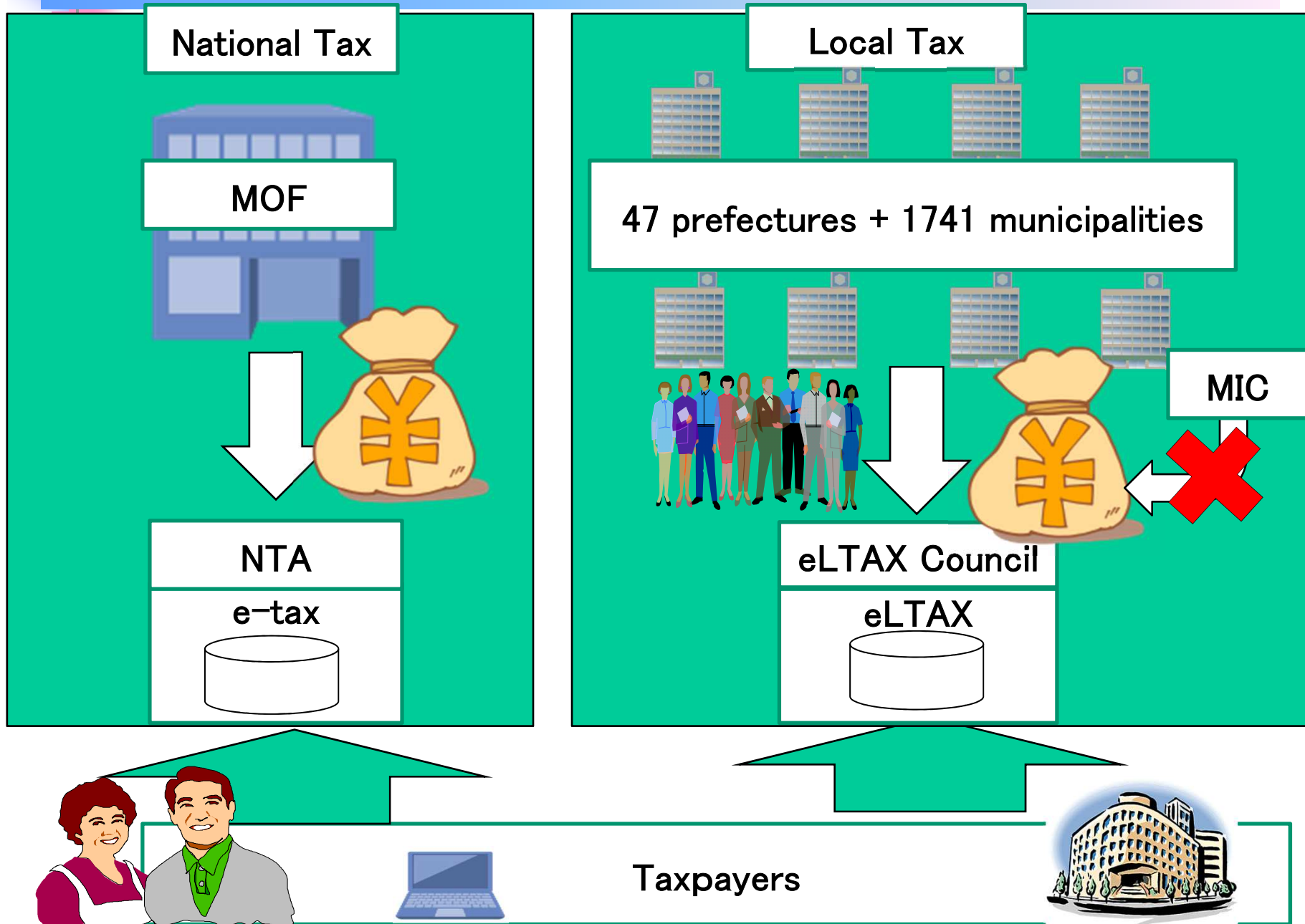
- PIT(National)
- CIT(National+ Local)
- VAT(National)
- Depreciable Assets Tax(Local)
- Office tax(Local)

- PIT(Local)
- Individual business tax (Local)
- Fix Assets Tax(Local)
- Automobile Tax(Local)

Decentralization (Since 2000)



National and local tax systems: operation and budget





History of e-filing in Japan

Dec 1994

Fundamental IT
Law of Japan

Dec1997

National IT
Promotion Plan

Jun 1999

NTA established the committee of e-filing

Jun 2002

e-Japan Priority Policy Program

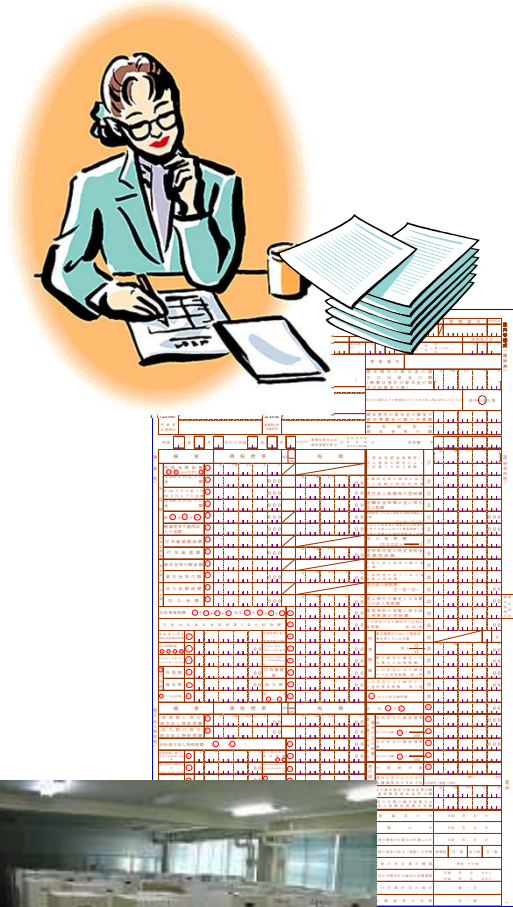
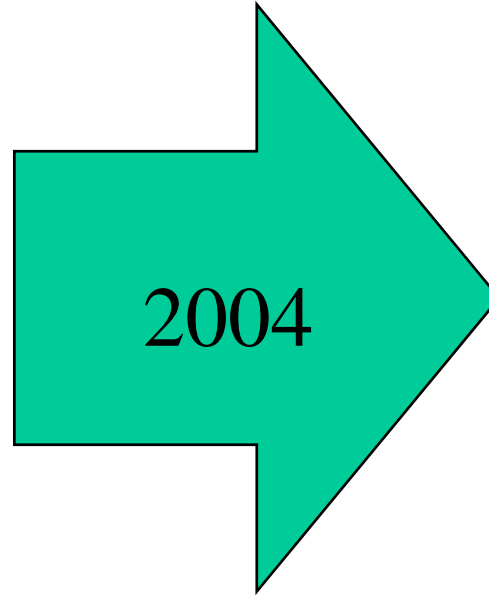
Jun 2004

e-tax started
(National)

Dec 2004

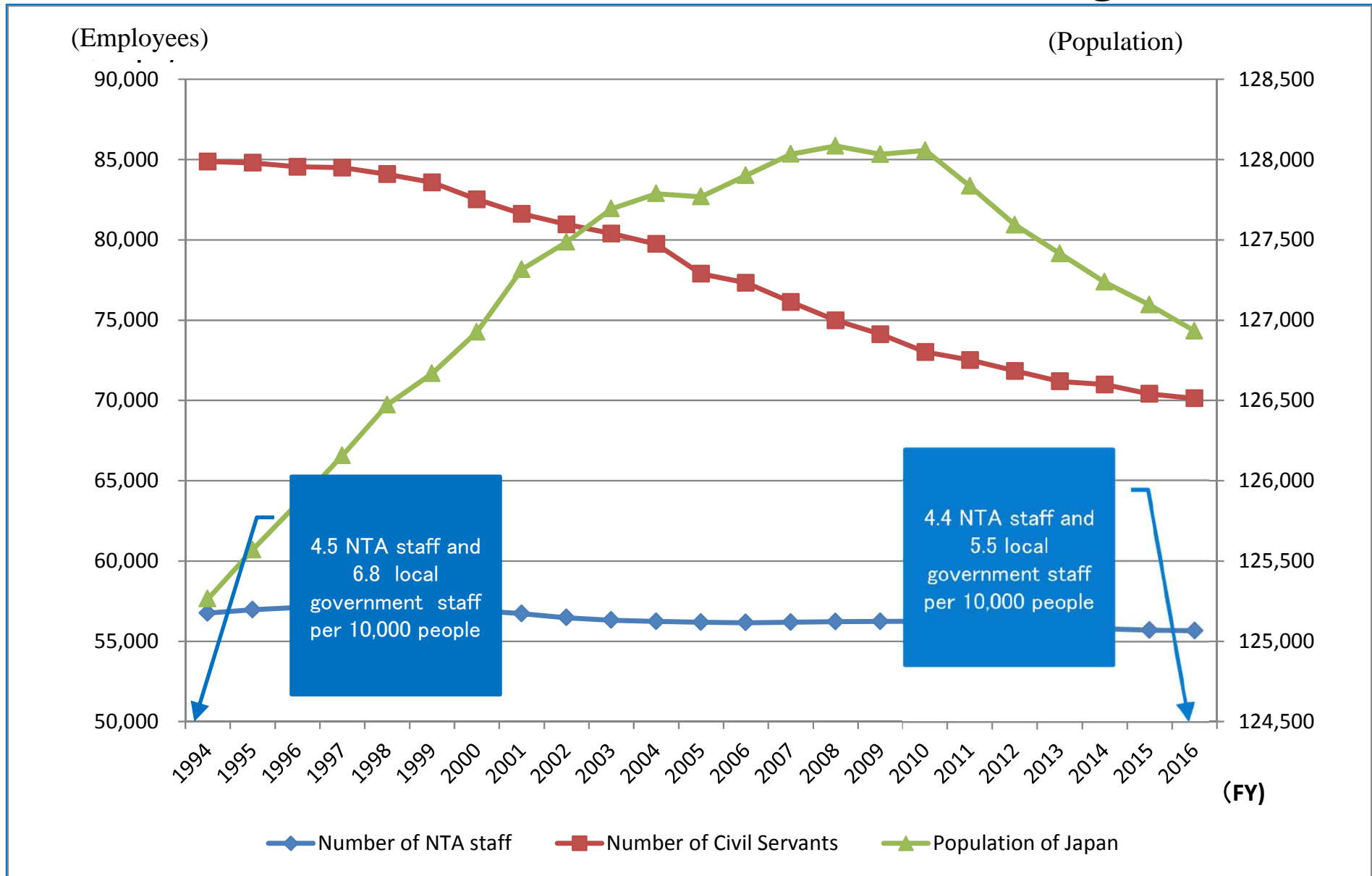
eLTAX started
(Regional)

e-filing started in 2004

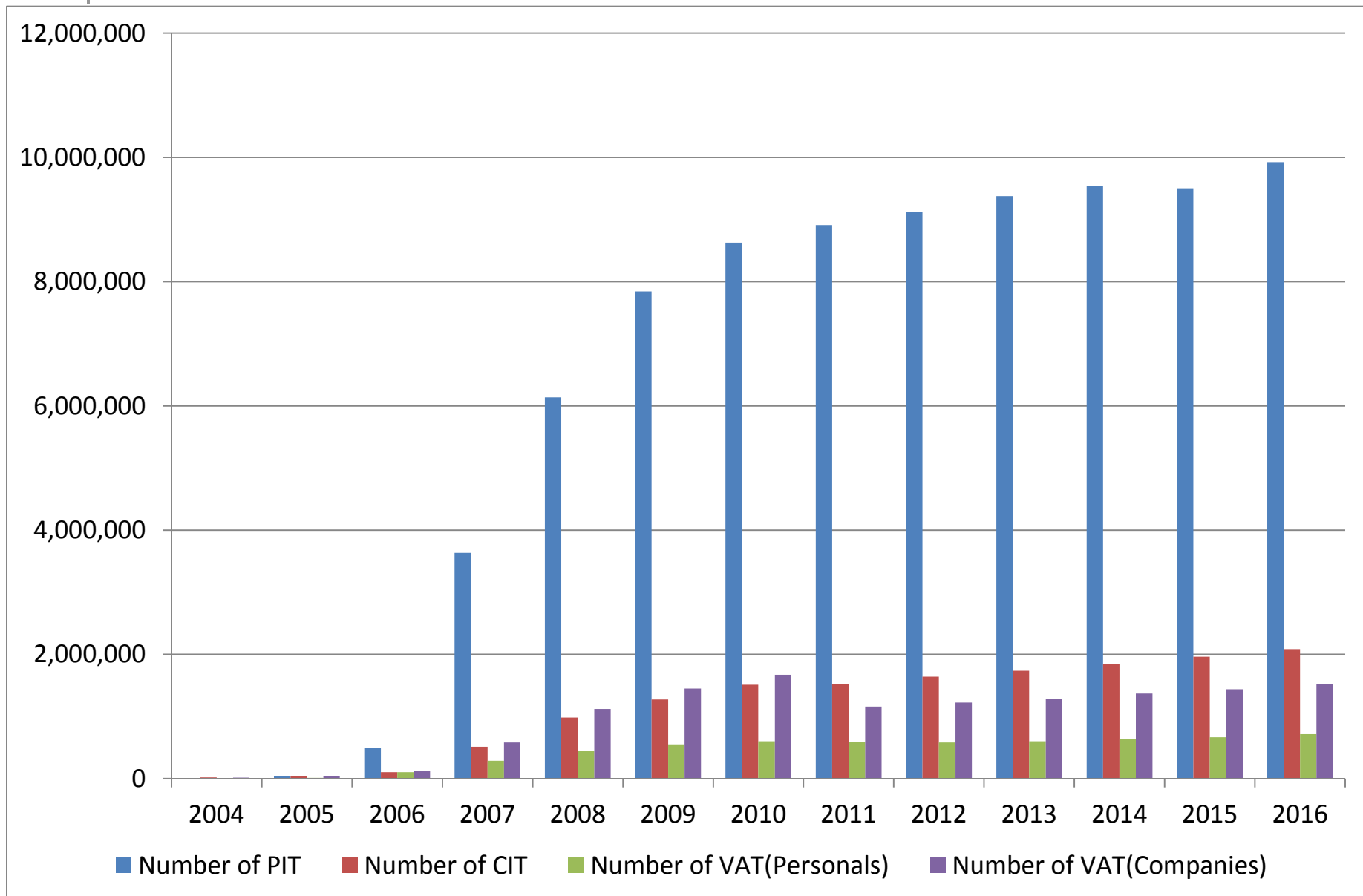
A large, detailed grid representing a tax return form, likely a Schedule C or similar business-related form. The grid contains numerous small boxes and lines, with some red circles and lines highlighting specific areas, possibly indicating errors or required information.

Administrative concerns

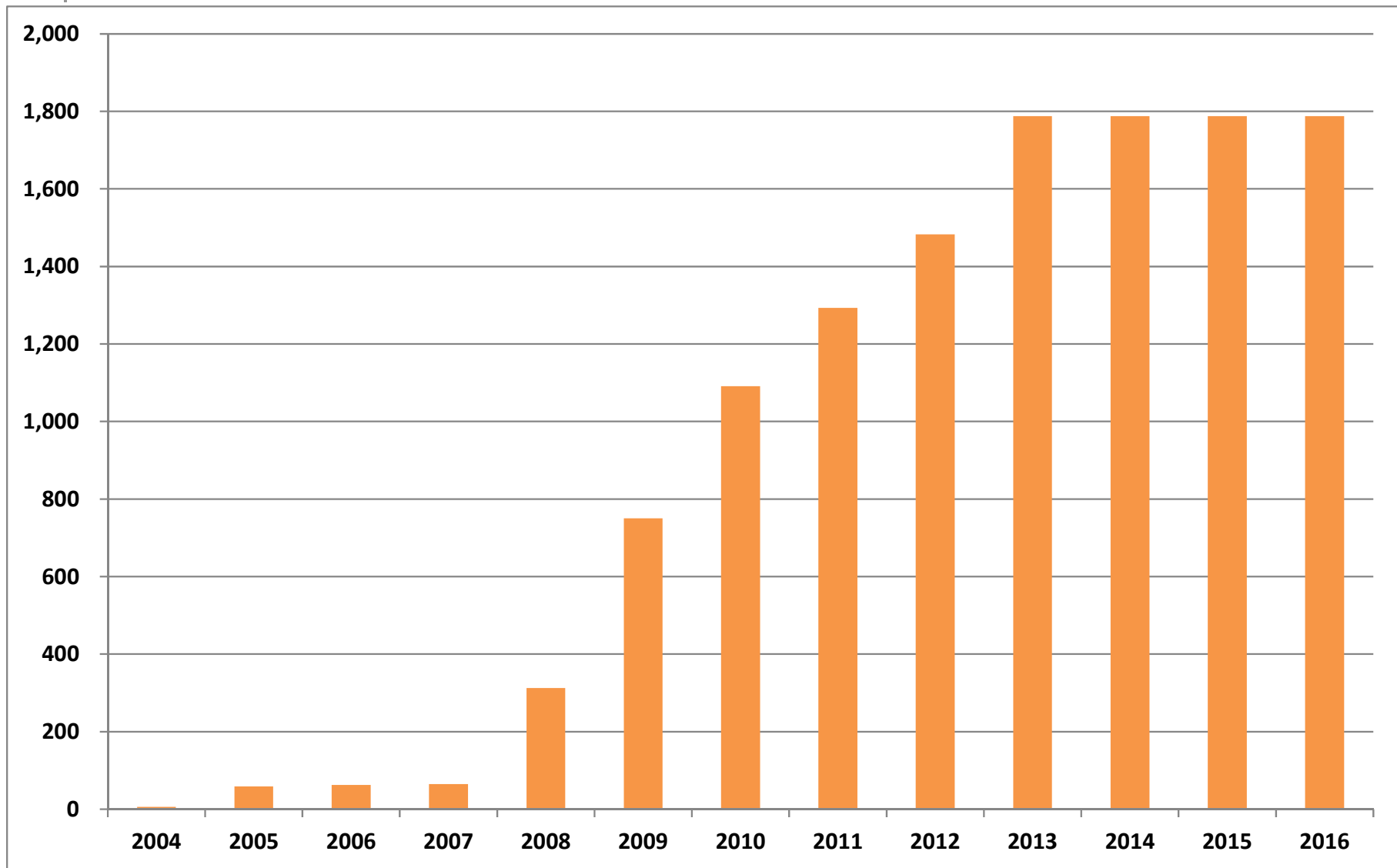
Decline in the number of tax staff in NTA and local governments



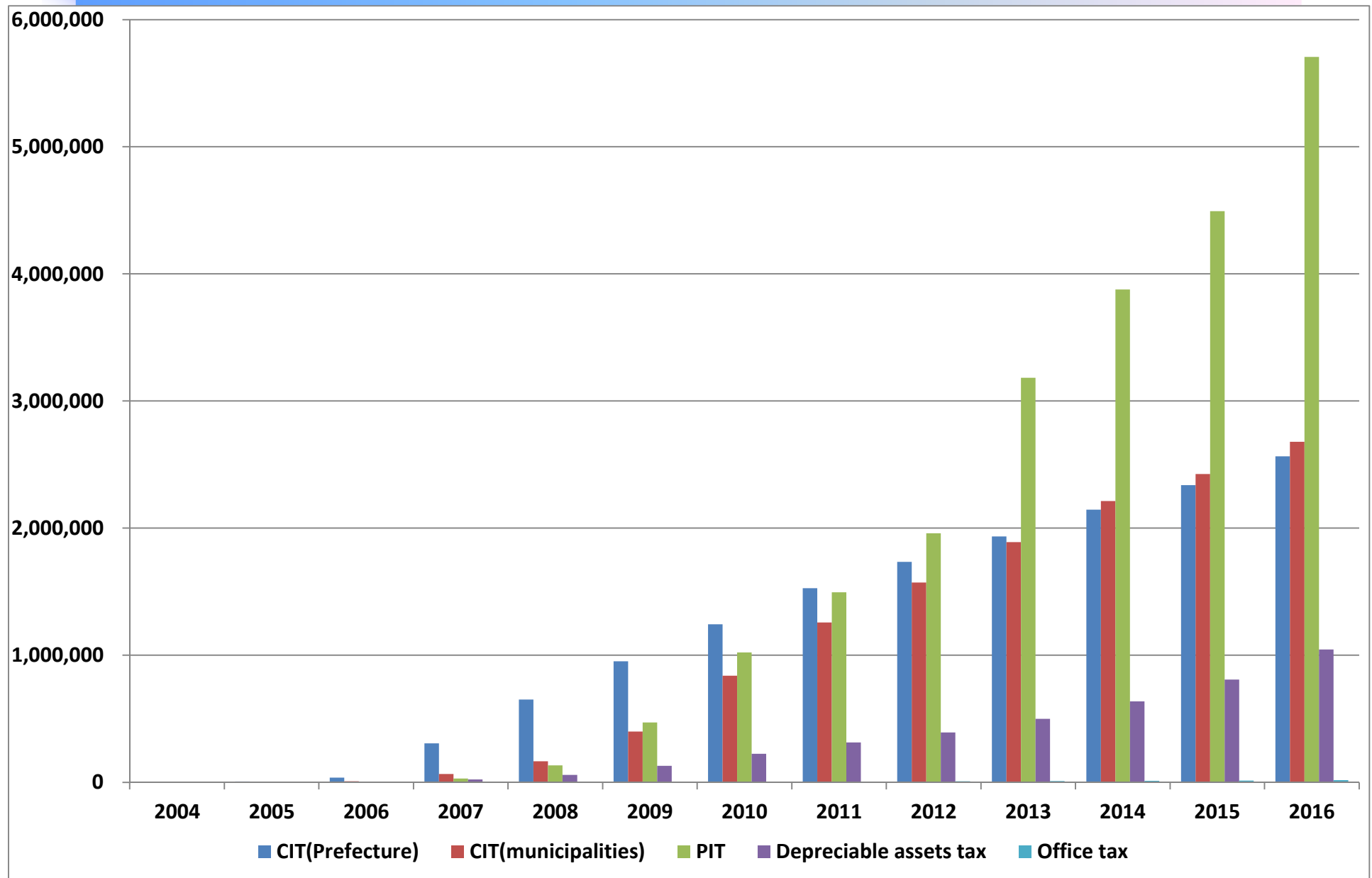
Number of National e-tax transactions



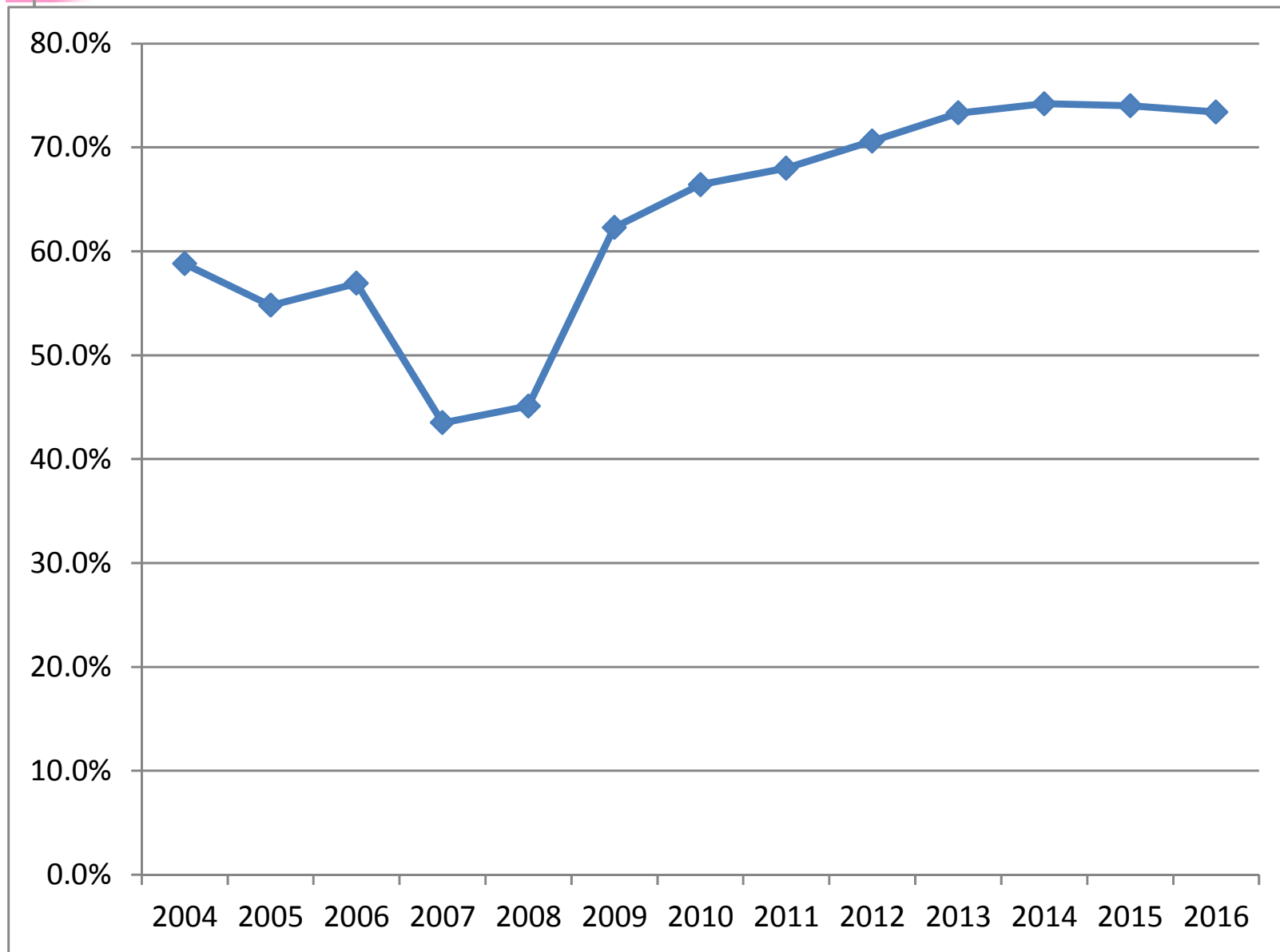
Number of local governments participating in eLTAX



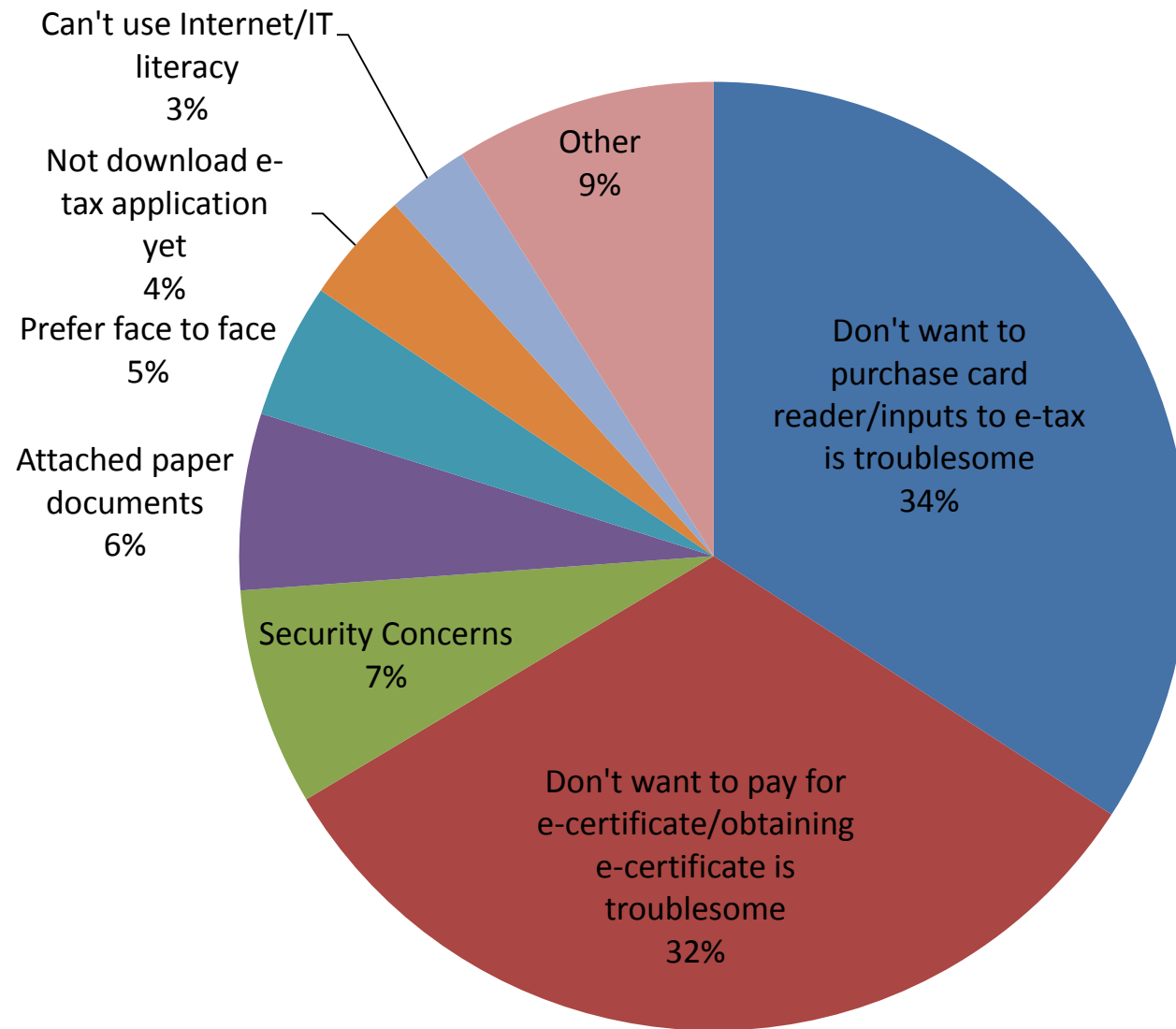
Number of eLTAX transactions for local tax



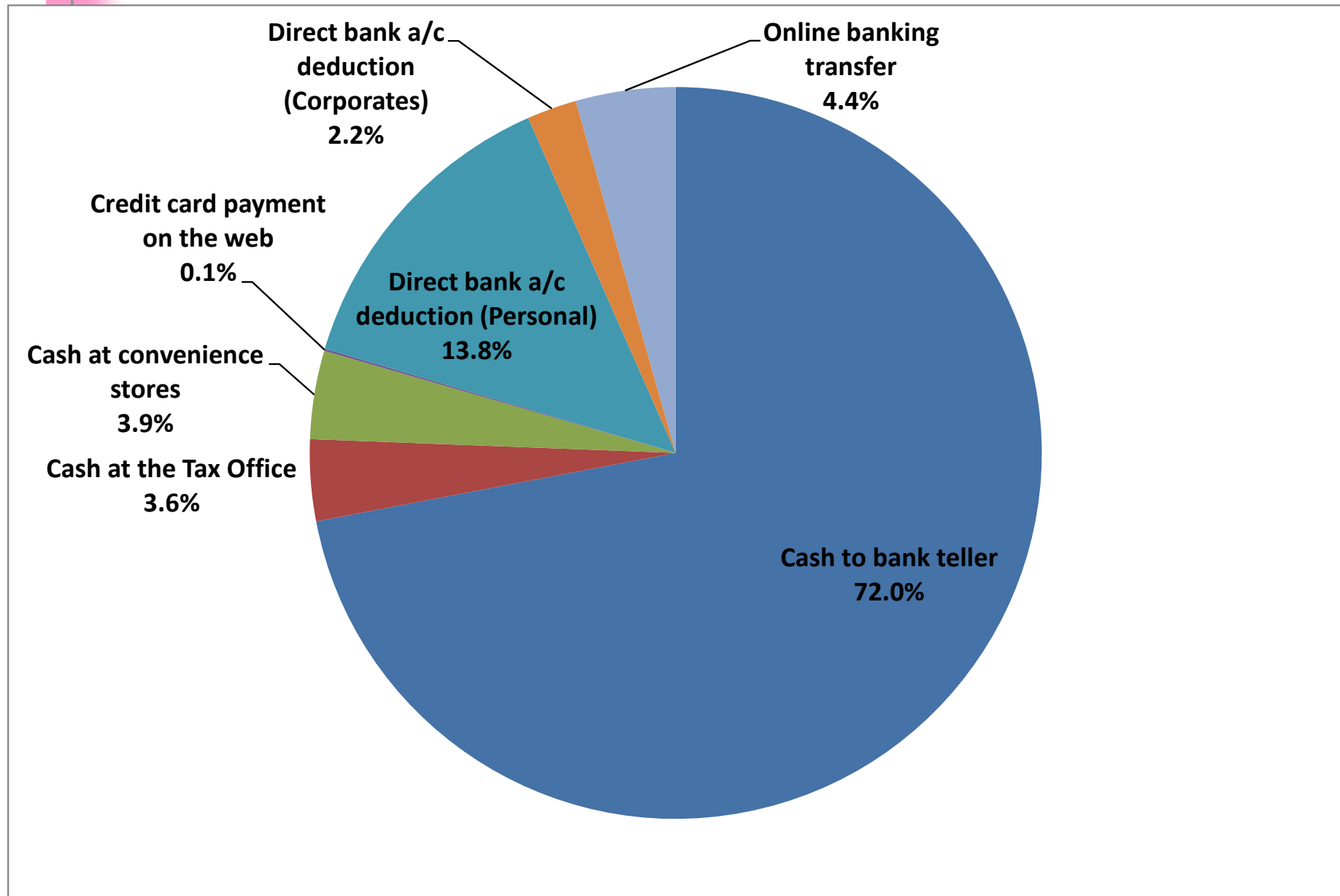
Satisfaction with national e-tax system



The reason why people don't use e-tax

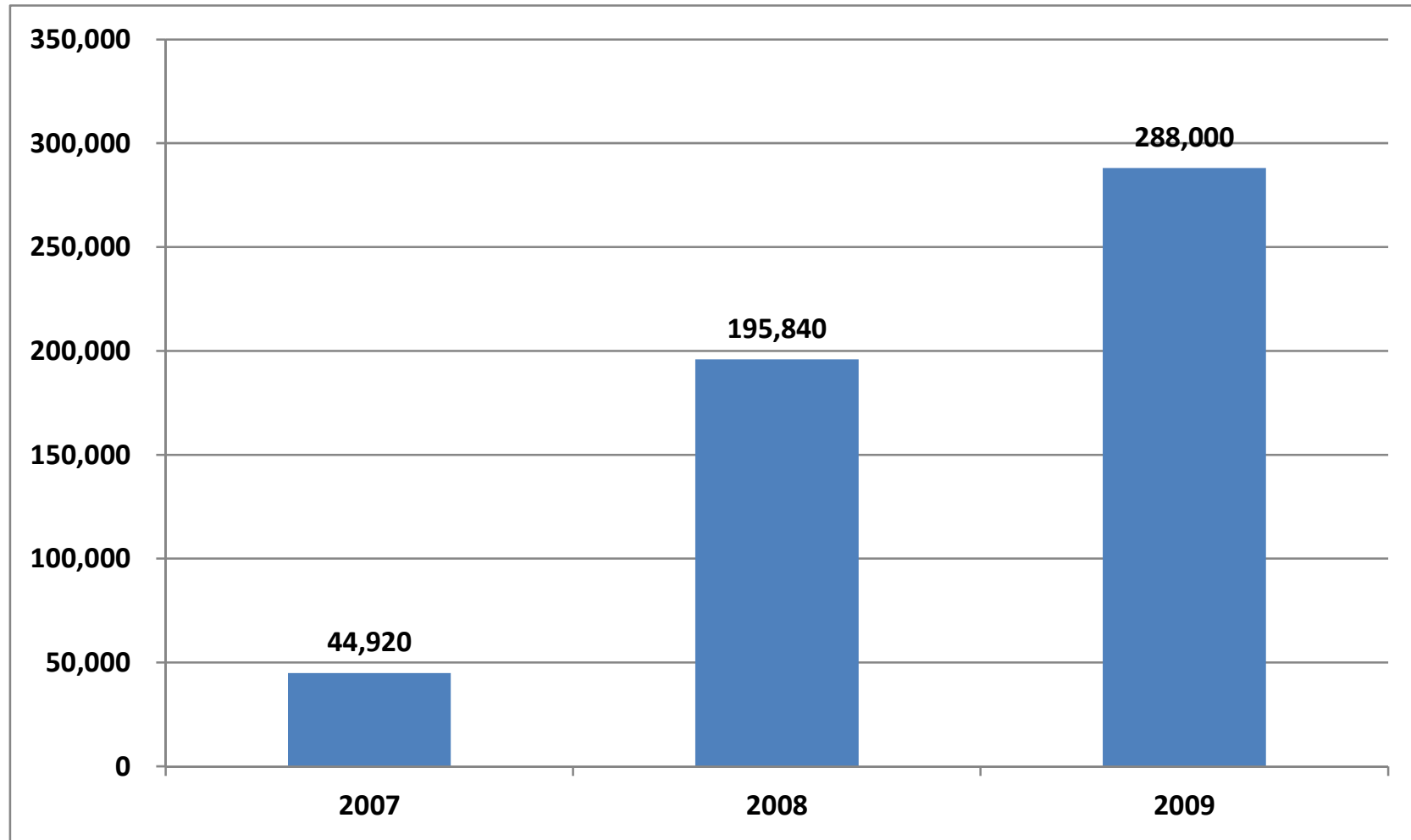


National tax payment method



Effects of introducing e-tax

Introducing e-tax reduced the work load of NTA employees by **533,760** hours over **3** years.





Continually evolving

2006 to 2018



The Tax Accountants Association has been requesting some changes every year

- 24-hour acceptance (2006)
- Tax Accountants allowed to send on behalf of tax payers(2006)
- Immediate issuance of ID (2007)
- No requirement of medical receipts (2008)
- Image data attachment allowed (2016)
- Expanded operation time (2016)
- Data be shared between National and Local e-filing (2017)
- Multiple banks registered (2018)

etc



Our challenges for the future

- Unified e-filing
- Improved convenience for taxpayers
- Efficiency

In the future

10 years have gone by since e-filing started.
There are still a lot of documents being attached!



Jan 2018
Digital Government Action Plan

Aims to decrease the amount
of attached documents, etc



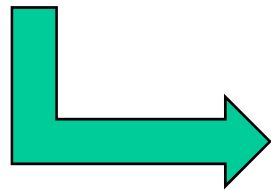
Time schedule going forward

2019



October 2019
Introduce unified collection for local governments

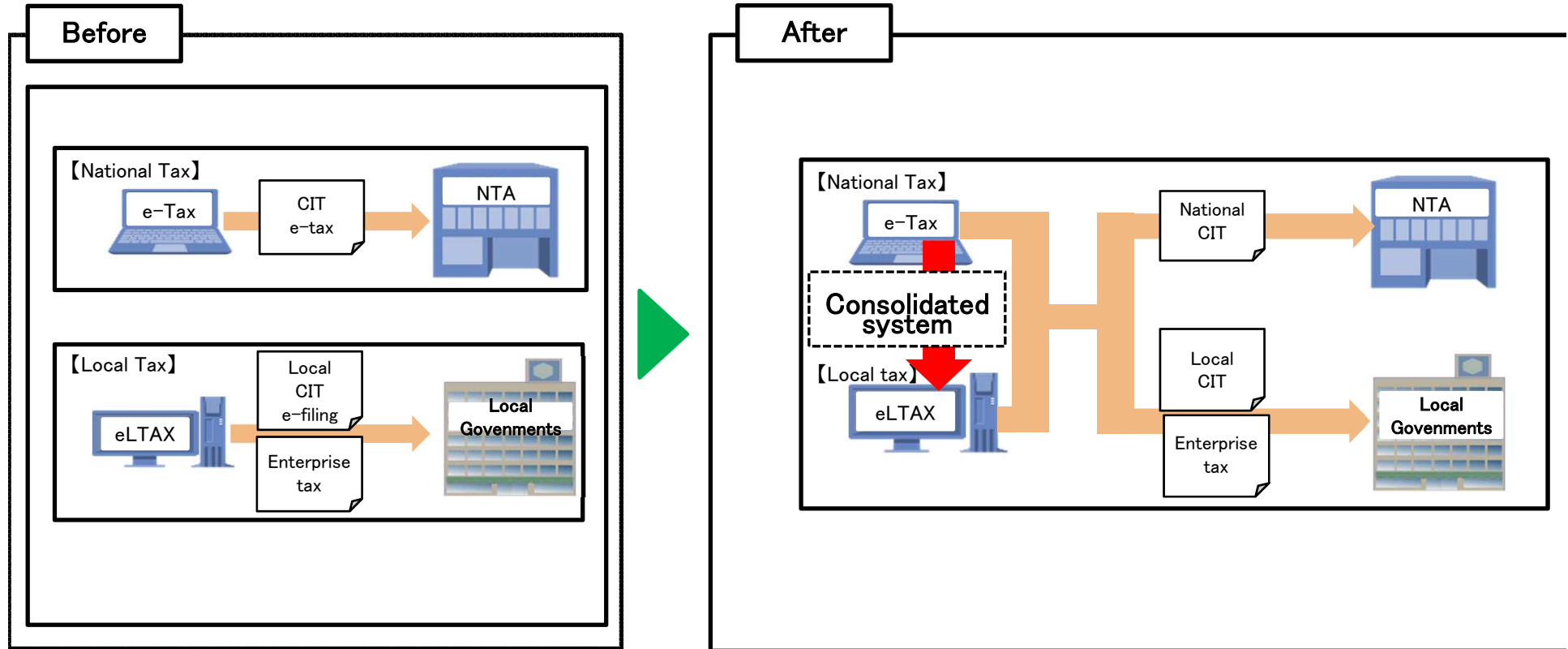
April 2020
Make e-filing obligatory for companies capitalized at 100 million yen or more



Inter-agency collaboration between ministries

Data linkage /coordination between Ministries
Not only taxes but also pension, public assistance,
healthcare, unemployment insurance,
Disability welfare will be handled online

Further in the future: Unified collection



Our goal: integration of information

Tax return/ levy



**e-filing /e-levy
+
e-payment**

**Integrated
Data**

Customer service

**Texting services
Call centers
e-mail services**



Delinquency

**e-call notification
(IVR)**



e-audit on property



**e-garnishment
(e-seizure)**

Next challenges

How do we improve our system ?

Exchanging opinions



Sharing knowledge



Making common policies

