

🕒 2021.05.19

# Fundamental Tax Law: Income, Corporate, and Consumption Taxes by Eikosha

0 いいね! 0 ツイート

Category: Finance & Accounting

(60 von 100)

Original Japanese title: 基本税法 栄光社

**Why:** I need to understand common tax laws before meeting tax advisor candidates.

**Goal:** List 15 tax questions relating to my current business situation.



## Action: Prioritize Specific Experiences of Advisor.

### 3 Key Concepts

1. Roughly half of public income is from a sum of income, corporate, and consumption taxes.
2. There are multiple (specific) types of income in the eye of tax law.
3. Taxation has fixed formula, but the application is situational.

### Summary



## How to prioritize your tax advisor's experience?

Ask the following questions.

- Have you had **experiences** with tax audits?
- What is your **expert** field? Import/Export, Real estate, Corporate?
- Who are your main **clients**? big/small companies, local/international?
- Are you a **one-man shop or an enterprise**?
- Are you **familiar** with a client with **my personal background**?

**This book is a basic introduction to the 3 most fundamental taxes: Income tax, Corporate tax, and Consumption tax.**

To be honest, I cannot get enough of it.

“ If you are not excited about law, study tax law. Why? Money saved can be a huge motivation 😊

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### • Half of public income

In Japan, it is quite easy to remember the constitutes of public income. **Half tax and half debt.**

- **Income tax:** 19%
- **Corporate tax:** 13%
- **Consumption tax:** 18%
- Property tax: 9%

From 2015 Japanese public income



## Japan's Tax Revenue, 2015



Source: OECD 2015 revenue statistics (<https://www.oecd.org/tax/revenue-statistics-japan.pdf>)  
 Note: 9% of the revenue in the "taxes on goods and services" category is from a VAT.

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Credit: <https://taxfoundation.org/how-japan-can-boost-growth-through-tax-reform-not-stimulus/>

## • Multiple types of income

Before you get tactical about taxes, you need to understand how your law sees your **income**. With that being said, one sure way to avoid taxes is to have no income at all ;p

And also depends on your status in that country. Visa and residence permit.

Type of residence / Category of income		Income other than foreign-sourced income		Foreign-sourced income		
		Paid within Japan	Paid outside Japan	Paid within Japan	Paid outside Japan	
					Remitted to Japan	Other
Residents	Permanent residents	Taxable	Taxable	Taxable	Taxable	Taxable
	Non-permanent residents	Taxable	Taxable	Taxable	Taxable	Non-taxable
Non-residents		Taxable	Taxable	Non-taxable	Non-taxable	Non-taxable

**To sum up**, taxation has a fixed formula, but the application is situational. That is why it requires experience.

**Goal check:** I listed a total of 17 tax questions, and I am ready to ask all of them.

