



# Q & A

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## about resident tax Q & A

**Q1** If a person having a domicile within Japan as of January 1, and earned income during the previous year, does that person have to pay resident tax?

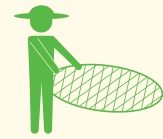
**A1** Payment of resident tax is an obligation defined by the law. A resident having a domicile within Japan as of January 1, and earned income during the previous year, in principal, the resident must pay resident taxes. However, depending on income or family situation, the resident may not need to pay resident taxes.

Meanwhile, in order to prevent double taxation from the same salary, etc., Japan has a tax treaty with certain countries. For international students and others who meet certain criteria stipulated in the treaty, the resident tax may not need to be paid. Please consult with the local municipal office for further details.

**Q2** How would one know whether to pay resident taxes by using special collection or general collection methods?

**A2** Earners who work for a company, in principal, should pay resident taxes under the special collection provision. Each year by May 31st, workers who are subject to special collection

will receive a document from their employer titled "Notification of result and changes of the special collection tax notice to income earners for the city (ward, town, village) and prefectural resident taxes."



**Q3** What is the procedure to pay off using a lump collection method?

**A3** If the employee leaves the employer between June 1 and December 31, the employee needs to choose a payment method for resident taxes after retirement. If choosing to use a lump collection method, inform the company employer the intent and request that any unpaid resident tax to be deducted from the employee's earnings or retirement allowance.

If the employee does not wish to pay using a lump collection method, the general collection will be automatically applied, and will receive an invoice from the municipality. Please pay in accordance to the payment statement. If the employee leaves the company between January 1 and May 31, a lump collection will be automatically charged or a special collection method will be applied.



**Q4** What kind of person should manage employee taxes? Also, how does one file an application?

**A4** A tax agent manages taxation procedures such as receiving tax notices and making payments on behalf of the taxpayer.

The range of a person who can be designated as a tax agent and range of documents that the agent can submit vary by each municipality, so please contact the employee's local municipal office.

