



KPMG Japan e-Tax News

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TAX UPDATE

OFFICIAL ANNOUNCEMENT FROM NATIONAL TAX AGENCY

1. FAQ about Tax Treatments relating to the Coronavirus

The National Tax Agency released an FAQ (Japanese only) about the tax treatments for the tax filing and tax payment procedures, etc. relating to the coronavirus on 25 March 2020.

This FAQ covers the following:

(1) Extension of filing and payment due dates for 2019 tax returns

The National Tax Agency released an announcement (Japanese only)^(*) on 27 February 2020 that the filing and payment due dates for individual income tax, gift tax and individual consumption tax for 2019 will be extended to 16 April 2020 due to the spread of the coronavirus. The new announcement includes a more detailed explanation in a Q&A format with supplemental information about the above extension.

^(*) We set out details in the e-Tax News No.184 [‘Extension of Filing and Payment Due Dates’](#) issued on 28 February 2020 and the e-Tax News No.185 [‘Extension of Due Dates and CSV Format Data’](#) issued on 9 March 2020.

(2) Individual extension of filing and payment due dates

Filing and payment due dates for corporate tax, inheritance tax and alcohol tax, etc., which are not covered by the above ‘(1) Extension of filing and payment due dates for 2019 tax returns’, are not extended. In addition, there is a rule that individual extension of filing and payment due dates is allowed by applying to the tax office in case there are disasters or any other unavoidable reasons.

In Q2, in relation to the Coronavirus, it is clarified that extension of due dates by individual application is allowed in case it is difficult to meet the filing and payment due dates because of the delay of the preparation of necessary documents (e.g. tax returns, documents of settlement of accounts) required for the procedures of filing and payment of national tax due to the following examples of the reasons in addition to the above disaster reasons:

[Common to individual and company]

- A tax accountant (including office staff) acting as a tax representative has been infected by an infectious disease.

- Tax payers, corporate officers, accounting officers, etc. are currently staying abroad, and there are restrictions on entry and exit, such as visa not being issued or there is a risk of it.
- Companies, individual business operators, tax accountant offices, etc. cannot maintain the normal business operation because the accounting department has to be closed for a considerable period of time due to infection of employees of an accounting department or their close contact with patients with infectious diseases, or many employees in the accounting department have taken leave due to temporary closure of schools.

[Company]

- Emergency measures for the delay in the timing of the general shareholders' meeting have been taken to prevent the gathering of large numbers of shareholders due to the risk of the spread of infectious diseases.

[Individual]

- There is the fact that the tax payers or family employees of a blue return tax payer in charge of accounting have been infected or have had close contact with patients with infectious diseases.
- Tax payers were requested by health centers or medical institutions, etc. to refrain from going out, because infection is suspected (tax payers might have close contact with the patients with infectious diseases, tax payers have a fever, etc.)

From Q3 to Q5, the following three cases are introduced as reasons for individual extension of due dates in specific cases:

- (Q3) Extension of due dates for filing and payment of consumption tax in case the timing of general shareholders' meeting is delayed
- (Q4) Extension of payment due dates in case payment cannot be made due to worsening financial condition
- (Q5) Treatment in filing an inheritance tax in case one of the heirs is infected

(3) Procedures of tax payment

(4) Rules for a grace period for tax payers

This content includes a detailed explanation in line with information (Japanese only)^(*) released from the National Tax Agency on 13 March 2020 about rules for a grace period for tax payers who cannot pay national tax at one time by the due date due to worsening financial condition caused by effects of the coronavirus.

^(*) We set out details in the e-Tax News No.186 '[Extended Due Dates and Grace Period Rules](#)' issued on 16 March 2020.

(5) Consultation on tax return for individual income tax etc. by tax office

(6) Tax treatment where a company contributes its products to the needy in relation to the spread of the coronavirus

2. Additional Information about Preparation Method of CSV Format Data of Financial Statements

We set out in the e-Tax News No.185 ['Extension of Due Dates and CSV Format Data'](#) issued on 9 March 2020 that the National Tax Agency released a page concerning the preparation method of CSV format data of financial statements (Japanese only) on the website for e-Tax on 27 February 2020 in accordance with CSV format data being allowed for the submission of financial statements in the e-Tax system from April 2020.

The following information undisclosed on 27 February 2020 was released on the above page on 19 March 2020:

- Search tool for account item code
- Section to check CSV file
- Submission method of CSV format data of financial statements
- FAQ

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