



KPMG Japan e-Tax News

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TAX UPDATE

2017 TAX REFORM - PASSAGE OF THE BILLS

The 2017 tax reform bills were passed by the 193rd ordinary session of the Japanese National Diet on 27 March 2017. The main items of the 2017 tax reform are as follows:

Corporate taxation

- Amendment to the tax treatment of directors' compensation and retirement allowances
- Amendment to the timing of deduction of costs for restricted shares and stock options
- Amendment to the extension of due date for filing final tax returns
- Amendments to the reorganizations rules (introduction of tax-qualified spin-offs, etc.)
- Amendment to the tax credits for R&D costs
- Introduction of special measures for companies leading regional economy
- Amendment to the tax credits for salary growth
- Amendment to the scope of small and medium-sized companies

International taxation

- Amendment to the anti-tax haven (CFC) regime

Individual taxation

- Amendment to the spouse deduction and special spouse deduction
- Amendment to the scope of taxable income for non-permanent residents

Inheritance tax/Gift tax

- Amendment to the scope of taxpayers for properties located outside Japan

Consumption taxation

- Amendment to the consumption tax treatment of virtual currencies

The following back issues of the KPMG Japan tax newsletters include brief summaries of the above items:

[Outline of the 2017 Tax Reform Proposals](#) (14 December 2016)

[2017 Tax Reform - Japanese Anti-Tax Haven \(CFC\) Regime](#) (12 December 2016)

[2017 Tax Reform - Amendment to Scope of Taxable Income for Non-Permanent Residents](#) (12 December 2016)

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