



KPMG Japan e-Tax News

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TAX UPDATE

2018 TAX REFORM – PASSAGE OF THE BILLS

The 2018 tax reform bills were passed by the 196th ordinary session of the Japanese National Diet on 28 March 2018. The main items of the 2018 tax reform are as follows:

■ Corporate Taxation

- Tax credits for salary growth
- Special measures for promotion of investment in information collaboration
- Restriction on eligible companies for special tax measures
- Amendments to the revenue recognition rules
- Special measures for deferral of the recognition of capital gains on shares under specified business restructurings
- Amendments to the taxation of reorganizations

■ International Taxation

- Amendment to the definition of permanent establishments and the special provision for foreign partners of investment LPS
- Amendments to the anti-tax haven (CFC) regime
- Amendment to the time of the judgment of a real estate holding company

■ Individual Taxation

- Amendments to the employment income deduction, public pension income deduction and basic deduction
- Amendment to the specific expense deduction

■ Inheritance Tax/Gift Tax

- Amendments to the scope of tax payment obligations of foreign people after leaving Japan

■ Consumption Tax

- Abolishment of the deferred payment method
- Place of taxation for shares of paperless securities

■ Other

- Requirements for electronic tax filing

The following back issue of the KPMG Japan tax newsletter includes brief summaries of the above items:

- [Outline of the 2018 Tax Reform Proposals](#) (19 December 2017)