

National Tax Collection Act (Extract)

(Act No. 147 of April 20, 1959)

Chapter I General Provisions

(Definitions)

Article 2

- (ix) "delinquent taxpayer" means a taxpayer who fails to pay the national tax that is required to be paid by the due date for payment (excluding due dates extended under a tax payment grace period as prescribed in Article 47, paragraph (1) (Tax Payment Grace Period) of the Act on General Rules for National Taxes, and due dates extended under a grace period for collection or disposition of delinquency);
- (x) "statutory due date for tax payment" means the due date for payment of national taxes under the provisions of laws concerning national taxes (in the case of the following national taxes, the due dates or the days specified respectively therein). In this case, due dates advanced as prescribed in Article 38, paragraph (2) (Advance Demand) of the Act on General Rules for National Taxes, due dates extended by postponement of tax payment under the provisions of the Income Tax Act (Act No. 33 of 1965) or the Inheritance Tax Act (Act No. 73 of 1950), due dates extended under a tax payment grace period as prescribed in Article 47, paragraph (1) of the Act on General Rules for National Taxes, and due dates extended under a grace period for collection or disposition of delinquency are not to be included in the due date for payment of the national tax:
 - (a) national tax to be paid under the provisions of Article 35, paragraph (2) (Payment by Return Filed After Due Date) of the Act on General Rules for National Taxes: the due date for payment of the national tax when the provisions of laws concerning national taxes are applied by deeming the amount of national tax to be paid as the amount stated in the return form filed by the due date prescribed in Article 17, paragraph (2) (Filing of a Return by the Due Date) of the Act pertaining to the national tax;
 - (b) national tax (excluding national tax which falls under sub-item (c) or (d)) for which the notification of tax due is given after the day designated as the due date for payment of the national tax pursuant to the provisions of laws concerning national taxes: the due date;
 - (c) national tax subject to the official assessment system in which the tax is to be collected immediately upon the occurrence of a certain event pursuant to the provisions of laws concerning national taxes: the day on

which the event occurs;

- (d) additional tax or expenses for disposition of delinquency: the due date for payment of the national tax that was the cause for payment or collection of such supplementary tax or expenses (if the national tax falls under any of sub-items (a) through (c), the due date or day listed respectively in those sub-items pertaining to the national tax (in the case of additional tax for understatement, additional tax for failure to file, or heavy additional tax as prescribed in Article 35, paragraph (3) (Payment of Additional Tax for Understatement) of the Act on General Rules for National Taxes pertaining to land value tax, the earlier due date)).

(Requirements for Grace Periods of Realization)

Article 151 Where a delinquent taxpayer is found to fall under one of the following items and it is found that they have a sincere intention to make tax payments, the district director of a tax office may grant a grace period for the realization of their assets through disposition of delinquency with regard to the national tax payable by the delinquent taxpayer (excluding national tax subject to application of the provisions of Article 46, paragraphs (1) through (3) (Tax Payment Grace Period) of the Act on General Rules for National Taxes); provided, however, that the grace period may not exceed one year:

- (i) where the taxpayer is likely to face difficulty in continuing their business or maintaining their standard of living if their assets are realized immediately;
- (ii) where the granting of a grace period for the realization of the taxpayer's assets is more beneficial to the collection of the delinquent national tax and national taxes to be paid in the near future than the immediate realization of their assets.