

# Act on General Rules for National Taxes (Extract)

(Act No. 66 of April 2, 1962)

## Chapter I General Provisions

### Section 1 General Rules

(Definitions)

#### Article 2

(vi) Tax return form: a return form in which any of the following facts with regard to a national tax under the self-assessment system, and other necessary and related facts, are stated pursuant to the provisions of the national tax laws, including a return form for receiving a national tax refund (hereinafter referred to as a "refund"):

(a) Tax base (in the case of a national tax for which the tax base amount or the tax base quantity is provided for under the national tax laws, such tax base amount or tax base quantity; the same shall apply hereinafter)

(b) Amount to be deducted from the tax base

(c) Any of the following amounts (hereinafter referred to as the "amount of net loss, etc."):

1. The amount of net loss or casualty loss prescribed in the Income Tax Act (Act No. 33 of 1965) arising in or before the relevant year which may be successively carried over and deducted from the income amount in the following and subsequent years or used as the basis for the calculation of the amount of a refund pertaining to the income for the preceding year pursuant to the provisions of said Act,
2. The amount of loss or consolidated loss prescribed in the Corporation Tax Act (Act No. 34 of 1965) arising in or before the relevant business or consolidated business year (a consolidated business year as prescribed in Article 15-2 (Meaning of Consolidated Business Year) of said Act; hereinafter the same shall apply in this item and Article 15, paragraph (2), item (iii)) (including any amount that is deemed to be loss or consolidated loss pursuant to the provisions of Article 57, paragraph (2) or paragraph (6), Article 58, paragraph (2), or Article 81-9, paragraph (2) (Assumption of Amount of Unappropriated Loss of Merged Corporation, etc.)), which may be successively carried over and deducted from the amount of income or consolidated income (consolidated income as prescribed in Article 2, item (xviii)-4 (Definitions) of said Act; hereinafter the same shall apply in this item and Article 15, paragraph (2), item (iii)) for the following and

subsequent business years or consolidated business years, or used as the basis for the calculation of the amount of a refund pertaining to the income or consolidated income for the preceding and prior business or consolidated business years pursuant to the provisions of said Act

3. In cases where any amounts are deducted pursuant to the provisions of Article 21-12 (Special Exemption for Gift Tax under the Taxation System for Settlement at the Time of Inheritance) of the Inheritance Tax Act (Act No. 73 of 1950), the amount that remains after deducting the total of such deducted amounts from 25 million yen

(d) The amount of tax due

(e) The tax amount equivalent to the refund amount

(f) The amount to be deducted from the tax amount set forth in (d) or the tax amount to be used as the basis for the calculation of the amount of a refund

(vii) Statutory tax return due date: the due date for filing a tax return form under the provisions of the national tax laws

(viii) Statutory due date for payment: the due date for payment of a national tax under the provisions of the national tax laws (in the case of the national taxes listed in the following, the respective due date or day specified therein); in this case, the due date advanced as prescribed in Article 38, paragraph (2) (Advanced Demand) and a due date extended by postponement of tax payment under the provisions of the Income Tax Act or the Inheritance Tax Act (hereinafter referred to as "postponement of tax payment"), extended under a tax payment grace period as prescribed in Article 47, paragraph (1) (Tax Payment Grace Period), or extended under a grace period for tax collection or for execution of the delinquent tax collection procedure shall not be regarded as the due date for payment of said national tax:

(a) A national tax payable under the provisions of Article 35, paragraph (2) (Payment with Return After Due Date, etc.): the due date for payment of the national tax in the case where the provisions of the national tax laws are applied by deeming the amount of the national tax to be the payable tax amount as stated in the return form filed by the due date which pertains to the national tax;

(b) A national tax (excluding a national tax which falls under the categories of national taxes listed in (c) or (d)) for which notice of tax due is given after a day that is designated as the due date for payment of the national tax pursuant to the provisions of the national tax laws: said due date

(c) A national tax subject to the official assessment system that is to be collected immediately upon the occurrence of a certain event pursuant to the provisions of the national tax laws: the day on which said event occurred

(d) An addition to tax: the due date for payment of the national tax that is the cause of payment or collection of such additions (if said national tax falls under any of the categories of national taxes listed in (a) to (c), the due date or day listed respectively in (a) to (c) which pertains to said national tax (in the case of an additional tax for understatement and an additional tax for failure to file as well as a substantial additional tax prescribed in Article 35, paragraph (3) (Payment of Additional Tax for Understatement, etc.), which pertain to land value tax, the earlier due date))

(Return Filed by the Due Date)

Article 17 (2) A tax return form filed pursuant to the provisions of the preceding paragraph shall be referred to as a "return form filed by the due date."

(Amended Return)

Article 19 (1) A person who has filed a tax return form (including his/her heir(s) or any other person who has succeeded in whole to the rights and obligations included in the property of such person who has filed a tax return form (in the case of a corporation split, limited to the corporation that has succeeded to the liability of the split corporation to pay national taxes pursuant to the provisions of Article 7-2, paragraph (4) (Succession to Liability to Pay National Taxes Pertaining to Trust)); hereinafter the same shall apply in Article 23, paragraph (1) and paragraph (2) (Request for Reassessment)) may, if the person falls under any of the following items, file with the district director of the tax office another tax return form to amend the tax base, etc. (meaning the matters listed in Article 2, item (vi) (a) to (c) (Definitions); the same shall apply hereinafter) or the tax amount, etc. (meaning the matters listed in (d) to (f) of said item; the same shall apply hereinafter) stated in the initial return, until a reassessment is made of the initial return under the provisions of Article 24 (Reassessment):

(i) Where there is a shortfall in the tax amount stated as the amount payable upon filing the initial tax return form

(ii) Where the amount of net loss, etc. is overstated in the initial tax return form

(iii) Where the tax amount equivalent to the amount of a refund is overstated in the initial tax return form

(iv) Where the initial return form contains no statement of the tax amount payable upon filing said return form, despite the fact that such payable tax amount exists

(Request for Reassessment)

Article 23 (1) A person falling under any of the following items who has filed a tax return form may request that the district director of the tax office reassess the tax base, etc. or tax amount, etc. stated in said return form (if a reassessment of such tax base, etc. or tax amount, etc. has already been performed under the provisions of the following Article or Article 26 (Reassessment of Previous Reassessment), the previously reassessed tax base, etc. or tax amount, etc.) within one year from the statutory tax return due date for the national tax pertaining to said return form:

- (i) Where the tax amount payable upon filing said return form (if a reassessment of said tax amount has been performed, the previously reassessed tax amount) is overestimated due to the fact that the calculation of the tax base, etc. or tax amount, etc. stated in said return form contains errors or does not conform to the provisions of the national tax laws
- (ii) Where the amount of net loss, etc. is understated in said return form (or where the previously reassessed amount is understated, if a reassessment of said amount has been performed), or where the amount of net loss, etc. is not stated in said return form (or in the written notice of reassessment if a reassessment of said amount has been performed), for the reasons prescribed in the preceding item
- (iii) Where the tax amount equivalent to a refund in said return form (if a reassessment of said tax amount has been performed, the reassessed tax amount) is understated, or where the tax amount equivalent to a refund is not stated in said return form (or in the written notice of reassessment if a reassessment of said amount has been performed) for the reasons prescribed in item (i)

(Reassessment of Previous Reassessment)

Article 26 If the district director of the tax office, after performing a reassessment or determination under the provisions of the preceding two Articles or this Article, becomes aware that the reassessed or determined tax base, etc. or tax amount, etc. is overestimated or underestimated, he/she may further reassess such reassessed or determined tax base, etc. or tax amount, etc. based on the examination that he/she conducts.

(Assessment and Determination)

Article 32 (5) The provisions of Article 27 (Reassessment or Determination Based on Examination by Officials of the National Tax Agency or National Taxation Bureau), the second sentence of Article 28, paragraph (3) (Matters to Be Stated as Supplementary Note to Written Notice of Determination) and

Article 29 (Effect of Reassessment, etc.) shall apply mutatis mutandis to a determination made under the provisions of paragraph (1) or paragraph (2) (hereinafter referred to as an "assessment and determination").

(Demand)

Article 37 (1) Where a taxpayer fails to pay a national tax in full by the due date for payment set forth in Article 35 (Payment of National Tax under Self-Assessment System) or paragraph (2) of the preceding Article (in the case of income tax subject to estimated tax prepayment, the due date for payment set forth in Article 104, paragraph (1), Article 107, paragraph (1) or Article 115 (Payment of Amount of Estimated Tax Prepayment) of the Income Tax Act shall apply (including cases where these provisions are applied mutatis mutandis pursuant to Article 166 (Application Mutatis Mutandis to Nonresidents) of said Act), and in the case of delinquent tax and tax interest, the due date for payment of the national tax used as the basis for the calculation thereof shall apply; hereinafter referred to as the "due date for payment"), the district director of the tax office shall demand such taxpayer by a letter of demand to pay the national tax, except where said national tax falls under any of the following categories of national taxes:

- (i) A national tax subject to the provisions of paragraph (1) or paragraph (3) of the following Article, or Article 159 (Preservative Seizure) of the National Tax Collection Act
- (ii) A national tax to be collected immediately upon the occurrence of a certain event pursuant to the provisions of the national tax laws

(Advanced Demand)

Article 38 (1) In any of the cases listed in the following items, if the district director of the tax office finds that there is any national tax of which the payable tax amount has been determined (in the case set forth in item (iii), excluding a national tax for which the liability to pay is an obligation covered by the liability based on the trust property) but such national tax is not expected to be paid in full by the due date for payment, he/she may advance the due date and demand payment of said national tax:

- (i) Where the procedure of compulsory conversion into money has been commenced against the taxpayer's property (including cases where notice has been given under the provisions of Article 2, paragraph (1) (Limitation on Effect of Transfer of Ownership, etc.) of the Act on Contract for Establishment of Security Interests by Use of Provisional Registration) (Act No. 78 of 1978) (including cases where applied mutatis mutandis pursuant to

Article 20 (Application Mutatis Mutandis to Contract for Acquisition of Rights Other Than Ownership for Land, etc.) of said Act)

- (ii) Where the taxpayer has died and his/her heir(s) has declared qualified acceptance of inheritance
- (iii) Where the taxpayer, who is a corporation, has been dissolved
- (iv) Where the trust involving the national tax for which the liability to pay is an obligation covered by the liability based on the trust property has terminated (excluding cases where the trust has terminated on the grounds set forth in Article 163, item (v) (Grounds for Termination of Trust) of the Trust Act)
- (v) Where the taxpayer is expected to lose his/her domicile or residence within the jurisdiction of this Act without appointing a tax agent
- (vi) Where the taxpayer is found to have evaded or attempted to evade payment of a national tax or to have received or attempted to receive a refund of a national tax through deception or other wrongful means, or where the taxpayer is found to have evaded or attempted to evade the execution of the delinquent tax collection procedure

(Requirements for a Tax Payment Grace Period)

Article 46 (1) Where a taxpayer has suffered a considerable loss of property due to earthquake, flood, wind, lightning, fire or other similar natural disaster, if any of the taxpayer's national tax falls under any of the following and is payable within one year from the day on which the taxpayer suffered such loss, the district director of the tax office (in cases where the director-general of a customs house or the regional commissioner of a Regional Taxation Bureau collects national taxes pursuant to the provisions of the proviso to Article 43, paragraph (1), or paragraph (3) or paragraph (4) of said Article, or Article 44, paragraph (1) (Competent Agency for Collection of National Taxes), the director-general or the regional commissioner; hereinafter referred to as the "district director of the tax office, etc." in this Chapter) may, based on an application filed by the taxpayer within two months from the day on which such disaster ended, grant a grace period for payment of the national tax in whole or in part for up to one year from the due date for payment (in the case of a withholding tax for which no notice of tax due has been given, its statutory due date for payment) (in the case of the national tax set forth in item (iii), the such grace period shall be specified by Cabinet Order), as provided for by Cabinet Order:

- (i) A national tax (excluding consumption tax and national taxes specified by Cabinet Order) for which the tax liability has been established on or before

the day specified in each of the following for the categories of national taxes listed respectively therein, in cases where the due date for payment (in the case of a withholding tax for which no notice of tax due has been given, its statutory due date for payment) comes on or after the day on which the taxpayer suffered the loss, and the payable tax amount has been determined on or before the date of his/her application:

- (a) A withholding tax, as well as consumption tax, etc. (in the case of petroleum and coal tax on the goods received from a bonded area, limited to such tax payable under the provisions of Article 17, paragraph (3) (Payment of Petroleum and Coal Tax on Crude Oil, etc. Received) of the Petroleum and Coal Tax Act (Act No. 25 of 1978)), aviation fuel tax, promotion of power-resources development tax and stamp tax, all of which are subject to the self-assessment system: the last day of the month containing the day on which the disaster ended
  - (b) National taxes other than the national taxes listed in (a): the day on which the disaster ended
  - (ii) Consumption tax on the transfer, etc. of a taxable asset for which the taxable period has expired on or before the day on which the disaster stopped, in cases where the due date for payment comes on or after the day on which the taxpayer suffered the loss, and the payable tax amount has been determined on or before the date of his/her application
  - (iii) Income tax subject to estimated tax prepayment and any other national tax specified by Cabinet Order, in cases where the due date for payment comes on or after the day on which the taxpayer suffered the loss
- (6) Where the district director of the tax office, etc. requests security pursuant to the provisions of the preceding paragraph, if there is any property seized through the delinquent tax collection procedure with regard to the national tax under a grace period, the amount of such security shall not exceed the amount calculated by deducting the value of such property from the amount under the grace period.

(Notice of Tax Payment Grace Period, etc.)

Article 47 (1) When the district director of the tax office, etc. has granted a tax payment grace period under the provisions of the preceding Article (hereinafter referred to as a "tax payment grace period") or extended the period of such grace period, he/she shall notify the taxpayer of such fact, the amount under the grace period, the period of such grace and other necessary matters.

(2) Where an application has been filed under paragraph (1) to paragraph (3) or paragraph (7) of the preceding Article, if the district director of the tax office, etc. does not grant a tax payment grace period or an extension of the period of such grace, he/she shall notify the taxpayer of such fact.

(Effect of Tax Payment Grace Period)

Article 48 (1) The district director of the tax office, etc., when he/she has granted a tax payment grace period, may not further make a demand nor execute the delinquent tax collection procedure (excluding a request for share distribution) within the period of such grace with regard to the national tax equivalent to the amount under the grace period.

(2) Where the district director of the tax office, etc. has granted a tax payment grace period, if there is any property seized through the delinquent tax collection procedure with regard to the national tax under the grace period, he/she may cancel the seizure upon an application by the person who has been granted a grace period.

(3) Where the district director of the tax office, etc. has granted a tax payment grace period, if property seized with regard to the national tax under the grace period yields natural fruit, securities, claims, or any incorporeal property, etc. as prescribed in Article 72, paragraph (1) (Seizure Procedure for Patent Rights, etc.) of the National Tax Collection Act, he/she may, notwithstanding the provisions of paragraph (1), execute the delinquent tax collection procedure upon such natural fruit or non-monetary property delivered by a third party obligor, etc. as prescribed in Article 24, paragraph (5), item (ii) (Limited Tax Liability of Mortgagee by Transfer) of said Act, and may appropriate any proceeds, etc. realized by conversion of such property into money as prescribed in Article 129, paragraph (1) (Principle of Distribution) of said Article for the national tax under a grace period.

(4) In the case referred to in the preceding paragraph, if the property delivered by the third party obligor, etc. set forth in said paragraph contains any money, it may be appropriated for the national tax under the grace period, notwithstanding paragraph (1).

(Revocation of Tax Payment Grace Period)

Article 49 (1) Where a person who has been granted a tax payment grace period falls under any of the following items, the district director of the tax office, etc. may revoke the grace period or shorten the grace period:

- (i) Where there is a fact that falls under any of the items of Article 38, paragraph (1) (Advanced Demand), and said person is found to be unable to pay the national tax under a grace period in full within the grace period
- (ii) Where said person does not pay the amount equivalent to each installment set under the provisions of Article 46, paragraph (4) (Installment Payment of Tax Amount under a Grace Period) within the grace period specified for the installment
- (iii) Where said person does not follow an order issued by the district director



of the tax office, etc. pursuant to the provisions of Article 51, paragraph (1) (Change to Security, etc.) with regard to the security provided for the national tax under a grace period

- (iv) Except for the cases listed in the preceding three items, where it is found to be inappropriate to maintain the grace period due to any change in the state of said person's property or other circumstances
- (2) Where the district director, etc. revokes or shortens a tax payment grace period pursuant to the provisions of the preceding paragraph, he/she shall hear an explanation in advance from the person who has been granted the grace period, except where there is a fact that falls under any of the items of Article 38, paragraph (1); provided, however, that this shall not apply if such person does not give any explanation without justifiable grounds.
- (3) When the district director of the tax office, etc. has revoked a tax payment grace period or shortened a grace period pursuant to the provisions of paragraph (1), he/she shall notify the taxpayer of such fact.

(Change to Security, etc.)

Article 51 (1) Where security has been provided for the national tax, when the district director of the tax office, etc. finds that payment of the national tax cannot be secured due to a decrease in the value of the property or the financial resources of the guarantor provided as security or for any other reasons, he/she may order the person who has provided such security to provide additional security, change the guarantor or take any other measures necessary to provide proper security.

(Disposition of Security)

Article 52 (1) If the national tax for which security has been provided has not been paid in full by the due date for payment (including the due date advanced as prescribed in Article 38, paragraph (2) (Advanced Demand) and the due date extended under a tax payment grace period or a grace period for tax collection or for execution of the delinquent tax collection procedure; hereinafter the same shall apply in the following Article and Article 63, paragraph (2) (Exemption from Delinquent Tax)), or if the district director of the tax office, etc. has revoked the postponement of tax payment, the tax payment grace period or the grace period for tax collection or for execution of the delinquent tax collection procedure granted for national tax for which security has been provided, the district director of the tax office, etc. shall appropriate the money provided as security for the national tax or dispose of the non-monetary property provided as security, other than money, through a procedure similar to the delinquent tax collection procedure and appropriate money obtained thereby for the national tax and the expenses for the disposition of the

property, or shall have the guarantor pay the national tax.

(Consignment of Payment)

Article 55 (1) Where a taxpayer, for the purpose of paying any of the following national taxes, intends to deliver securities that are unavailable for payment of a national tax, thereby consigning the collection of such securities and payment of the national tax by means of money thus collected, the relevant official of the tax office (in cases where the director-general of a customs house or the regional commissioner of a Regional Taxation Bureau collects national taxes pursuant to the provisions of the proviso to Article 43, paragraph (1), or paragraph (3) or paragraph (4) of said Article, or Article 44, paragraph (1) (Competent Agency for Collection of National Taxes), the customs house or Regional Taxation Bureau; hereinafter the same shall apply in this Article) may undertake the consignment only when it is found that such securities were surely collectable in the recent past. In this case, if the collection of such securities incurs any costs, the person who intends to consign collection shall also provide an amount equivalent to such costs:

- (i) A national tax under a tax payment grace period or a grace period for execution of a delinquent tax collection procedure
- (ii) A national tax of which the due date for payment comes on or after the due date for payment of the securities which are to be used for consignment of tax payment
- (iii) In addition to the national taxes listed in the preceding two items, a national tax in delinquency, in cases where it is found that the taxpayer has a sincere intention to make the tax payment, and undertaking consignment of tax payment is beneficial to the collection of the national tax

(Interest on Refund)

Article 58 (1) Where the regional commissioner of a Regional Taxation Bureau, the district director of a tax office or the director-general of a customs house pays or appropriates a refund, etc., he/she shall add, to the amount to be refunded or appropriated, an amount calculated by multiplying the amount to be refunded or appropriated by the rate of 7.3% per annum according to the number of days during the period from the day following the day specified in each of the following items for the categories of refund, etc. listed respectively in said items, until the day on which payment of the relevant refund is determined or the day on which the relevant refund is appropriated (in the case where appropriation has become possible before the said date of appropriation, that day on which it becomes possible) (or during the period

otherwise specified by other national tax laws) (the amount thus calculated shall be referred to as "interest on refund"):

- (i) A refund and any of the following overpayments: the day on which the national tax causing the refund or overpayment was paid (if such day precedes the statutory due date for payment of the national tax, said statutory due date for payment):
  - (a) An overpayment arising from the national tax (including any delinquent tax and tax interest on national tax) for which the tax amount payable has been determined by a reassessment or determination under the provisions of Article 25 (Determination) or an assessment and determination (hereinafter referred to as a "reassessment or determination, etc.") (excluding the overpayment set forth in the following item)
  - (b) An overpayment arising from the national tax (including any delinquent national tax) for which the payable amount shall be determined without any special procedure upon the establishment of the tax liability, and for which notice of tax due has been given
  - (c) An overpayment specified by Cabinet Order as an overpayment arising from the national tax that is similar to the overpayments listed in (a) or (b)
- (ii) An overpayment arising from the national tax (including any delinquent tax and tax interest on the national tax) for which the payable tax amount has decreased due to a reassessment (including a determination of the taxation agency, a decision of the National Tax Tribunal or a judgment of a court of justice in an appeal against the disposition made in response to such request): the day on which three months have elapsed from the day following the day on which the request for reassessment was made, or the day on which one month has elapsed from the day following the day on which said reassessment was made, whichever comes earlier (if such day precedes the statutory due date for payment of the national tax, said statutory due date for payment)
- (iii) An overpayment or other payment made by mistake arising from the national tax, except for the overpayments listed in the preceding two items: the day on which one month has elapsed from the day following the day specified by Cabinet Order as the day on which such overpayment or payment by mistake occurred

(Special Provisions for Base Period for Calculation of Amount of Delinquent Tax)

Article 61 (1) Where an amended return form has been filed (excluding an amended return form filed by a taxpayer who has evaded payment of a national

tax or has received a refund of a national tax by deception or other wrongful acts, while anticipating that a reassessment will be made of said national tax because of the examination having been conducted with regard to said national tax) or where a reassessment has been made (excluding a reassessment made to the national tax against the taxpayer who has evaded payment of a national tax or has received a refund of a national tax by deception or other wrongful acts), if the case falls under any of the following items, the provisions of paragraph (2) of the preceding Article shall apply to the national tax payable by filing said return form or based on said reassessment, with the period set forth in the relevant item being deducted from the period prescribed in said paragraph:

- (i) Where a return form was filed by the due date for the national tax to which such amended return or reassessment pertains, and said amended return form has been filed or a written notice of reassessment has been given after the day on which one year has elapsed from the statutory tax return due date for said national tax: the period from the day following the day on which one year has elapsed from the statutory tax return due date until the day on which said amended return form has been filed or the day on which such written notice of reassessment has been given
- (ii) Where a return form is filed after the due date (including a tax return form to be filed to receive payment of a refund, which is specified by Cabinet Order (hereinafter referred to as a "return form for a refund claim"); hereinafter the same shall apply in this item), the national tax to which such amended return or reassessment pertains, and said amended return form, has been filed, or a written notice of reassessment concerning said reassessment has been given after the day on which one year has elapsed from the filing date of the return form after the due date: the period from the day following the day on which one year has elapsed from filing date of the return form after the due date, until the day on which said amended return form has been filed or the day on which a written notice of reassessment has been given

(Tax Items for Additional Tax)

Article 69 Additional tax for understatement, failure to file, non-payment, and substantial additional tax (hereinafter referred to as "additional tax") shall be national taxes falling under the tax items which apply to the tax amount that is the basis for the calculation of the amount of such additional tax.

(Time Limit for Reassessment, Determination, etc. of National Tax)

Article 70 (1) An assessment and determination or reassessment listed in the following items may not be performed once three years have elapsed from the due date or the day specified respectively in said items (if a return form is filed after the due date but prior to the date of expiration of such three-year period, the time limit shall be said date or the date of expiration of a two-year period from the date of the filing of the return form after the due date, whichever comes later; in the case of a reassessment of corporation tax, the time limit shall be the day on which five years have elapsed from the due date or the day specified in item (i)):

- (i) A reassessment (excluding a reassessment subject to the provisions of paragraph (3)): the statutory tax return due date for the national tax to which the reassessment pertains (in the case of the reassessment based on a return form for a refund claim, the day on which said return form has been filed)
- (ii) An assessment and determination regarding a national tax for which a return form of tax base is required to be filed and such return form has been filed: the due date for filing of said return form

(2) Notwithstanding the provisions of the preceding paragraph, a reassessment or an assessment and determination which are listed in the items of said paragraph and fall under the following, may be made until five years have elapsed from the due date or the day specified respectively in said items (in the case of the reassessments listed in item (ii) and item (iii) (limited to such reassessment of the amount of net loss, etc.) which pertain to corporation tax, the time limit shall be the day on which seven years have elapsed from the due date or the day specified in item (i) of said paragraph):

- (i) A reassessment or an assessment and determination to decrease the payable tax amount
- (ii) A reassessment to increase the amount of net loss, etc. that has arisen during the taxable period concerned or the amount of a refund, or a reassessment made on the assumption of the existence of these amounts
- (iii) A reassessment to decrease the amount of net loss, etc. that has arisen during the taxable period concerned
- (iv) Except for those listed in the preceding three items, a reassessment of a national tax for which a return form after the due date has been filed on or after the day on which three years have elapsed from the statutory tax return due date

(3) No determination under the provisions of Article 25 (Determination) or reassessment following such determination may be made on or after the day on which five years have elapsed from the statutory tax return due date for the national tax to which such determination or reassessment pertains (or from the day specified by Cabinet Order in the case that a determination or

reassessment is to be made when no return form for a refund claim has been filed).

- (4) No assessment or determination may be made with regard to the national taxes listed in the following items on or after the day on which five years have elapsed from the due date or the day specified respectively in said items:
- (i) A national tax for which a tax base return form is required to be filed and for which no such return form has been filed: the due date of the filing of said return form
  - (ii) A national tax subject to the official assessment system for which no tax base return form is required to be filed: the day on which the tax liability was established
- (5) Notwithstanding the provisions of the preceding paragraphs, a reassessment or determination, etc. of a national tax (including any additional tax and delinquent tax for default on a stamp tax related to the national tax) for which the taxpayer has evaded payment in whole or in part or has received a refund in whole or in part through deception or other wrongful means, and a reassessment of the amount of net loss, etc. stated in a tax return form in which the taxpayer has reported an overstatement of the amount of net loss, etc. that arose during the taxable period concerned through deception or other wrongful means (or if a reassessment has been made of said amount, the reassessed amount) may be made until seven years have elapsed from the due date or the day specified in the following items for the types of reassessment or determination, etc. listed respectively in said items:
- (i) A reassessment or determination: the statutory tax return due date for the national tax to which the reassessment or determination pertains (in the case of a reassessment based on a return form for a refund claim, the day on which said return form has been filed)
  - (ii) An assessment and determination regarding the national tax for which a tax base return form is required to be filed: the due date of the filing of such return form
  - (iii) An assessment and determination regarding the national tax subject to the official assessment system for which no tax base return form is required to be filed: the day on which the tax liability has been established

(Special Provisions for Time Limit for Reassessment, Determination, etc. of National Tax)

Article 71 (1) Notwithstanding the provisions of the preceding Article, a reassessment or determination, etc. listed in the following items may be made within the period specified respectively in said items if the day on which such period expires comes after the date of expiration of the period during which a reassessment or determination, etc. may be made pursuant to the provisions of

the preceding Article:

- (i) A reassessment or determination, etc. of a national tax pertaining to a person who has received a decision of the National Tax Tribunal, a determination of the taxation agency or a judgment of a court of justice (hereinafter referred to as a "decision, etc." in this item) on an appeal of dissatisfaction or litigation regarding a reassessment or determination, etc. of a national tax for which the tax base, etc. or tax amount is to be changed upon the change to the original disposition by such decision, etc. or upon the reassessment based on a request for reassessment (limited to such national tax falling under the tax item which applies to the national tax to which said decision, etc. or said reassessment pertains): six months from the day on which said decision, etc. or said reassessment was made
- (ii) With regard to national tax that is subject to the self-assessment system, any reassessment to be made on the grounds that the economic performance arising from an act that was null has been lost due to the nullity of said act but was included in the facts used as the basis for the calculation of the tax base, on the grounds that an act that was voidable but was included in said facts has been rescinded, or for other similar grounds specified by Cabinet Order (limited to a reassessment that falls under the provisions of paragraph (2), item (i) or item (ii) of the preceding Article), and any assessment or determination to be made with regard to an additional tax on such national tax at the time of such reassessment: three years from the day on which the event constituting such reason occurred

(Extinctive Prescription for Right of Collection of National Tax)

Article 72 (1) The right of the State to collect a national tax (hereinafter referred to as the "right of collection of a national tax" in this Section) shall be extinguished by prescription if it is not exercised within five years from the statutory due date for payment of the national tax (in the case of a national tax to be paid based on a reassessment or determination, etc. set forth in paragraph (1), item (i) of the preceding Article, from the day on which the decision, etc. or the reassessment prescribed in said item was made; in the case of a national tax to be paid by reason of an overstatement of the tax amount equivalent to the amount of a refund based on a return form for a refund claim, as well as the expenses for the delinquent tax collection procedure, from the day on which the right of collection may be exercised for these taxes; and in the case of delinquent tax due to default on a stamp tax, from the day on which the tax liability was established; the same shall apply in paragraph (3) of the following Article).

(Interruption and Suspension of Prescription)

Article 73 (3) The period of prescription for the right of collection of a national tax with regard to which the taxpayer has evaded payment of the whole or part of the tax amount or has received a refund of the whole or part of the tax amount through deception or other wrongful means shall not begin to run for two years from the statutory due date for payment of said national tax; provided, however, that in cases where any of the acts or dispositions listed in the following items have been carried out, the period of prescription shall commence running from the day following the day set forth in each of said items in relation to each part of the national tax pertaining to such act or disposition for the categories of acts or dispositions listed respectively in said items, and in cases where said act or disposition has been made by said statutory due date for payment, the prescription shall commence to run from the day following said statutory due date for payment in relation to each part of the national tax pertaining to said act or disposition:

- (i) Filing of a tax return form: The day on which said return form was filed
- (ii) A reassessment or determination, etc. (excluding an assessment and determination regarding an additional tax): The day on which a written notice of reassessment or written notice of determination or a written notice of assessment and determination regarding said reassessment or determination, etc. was given
- (iii) A notice relating to tax payment (excluding such notice pertaining to the national tax for which a written notice of assessment and determination has been given): The day on which a written notice of tax due pertaining to said notice was given (in cases where said notice was given orally in lieu of the service of such written notice, the day on which said notice was given orally)
- (iv) Payment of a withholding tax made without receiving notice of tax due: The day on which said payment was made

(4) With regard to the part of a national tax pertaining to the postponement of tax payment, or the tax payment grace period or the grace period for tax collection or for execution of a delinquent tax collection procedure (including any delinquent tax or tax interest payable together with said part of the national tax), the prescription of the right of collection of the national tax shall not run during the period in which such postponement or grace is effective.

(Tax Agent)

Article 117 (2) When a taxpayer has appointed a tax agent pursuant to the provisions of the preceding paragraph, he/she shall notify the district director of the tax office having jurisdiction over the place of payment of the national tax pertaining to said tax agent (if a tax agent has been appointed to



administer only affairs concerning the consumption tax, etc. on goods received from a bonded area, the director-general of the customs house having jurisdiction over the place of tax payment of the consumption tax, etc.). The same shall apply where a taxpayer has dismissed his/her tax agent.