

Grace Period for Those Facing Difficulty Paying Taxes Due to COVID-19

Applications for tax payment grace period to be accepted at tax offices.

➤ If you are temporarily unable to pay national taxes (*kokuzei*) due to effects of COVID-19 and meet the conditions outlined below, you may be eligible for a tax payment grace period of up to one-year. Applications and inquiries should be directed to your local tax office.

○ Conditions

- ① You would face difficulty either continuing your business or maintaining your livelihood by paying national taxes all at once.
- ② You have a sincere intention to make tax payments.
- ③ You are not delinquent on any other national taxes besides the national tax for which you are applying for a grace period.
- ④ Application for the grace period is submitted within a 6-month period after the tax payment due date¹.

※ **Provision of collateral is not necessary, beside situations in which the provision of collateral is obviously possible.**

¹ The due date for FY2019 self-assessed income tax and gift tax, as well as the final tax returns for consumption tax for sole-proprietors, will be April 16, 2020.

² If you already have delinquent taxes, or if it has been over 6 months since the tax payment due date, the district director of the tax office may still grant a grace period (Article 151, National Tax Collection Act.)

Feel free to inquire by phone!

(Inquiries prior to tax due date welcome.)

A routine review will be promptly carried out at the tax office.

○ If the grace period is granted...

- ▶ In principle, you will be granted a grace period of up to one year. (Under certain circumstances, an additional 1-year grace period may be granted.)
- ▶ During the grace period, delinquent taxes will be reduced.
- ▶ Attachment or realization (sale) of property will be deferred.

(Application for deferment of conversion of assets: Article 151, National Tax Collection Act)



Cases with unique circumstances may be eligible for other tax relief plans.
See the next page for more information.



If the following unique circumstances apply to your situation, please inform us.

- If you, or a member of your family, has been diagnosed with COVID-19 or has suffered from any of the following unique circumstances, you may be eligible for a tax payment grace period. For more information, consult with the collection department of the local tax office in your region.

○ Unique Circumstances

Required documents may vary depending on your situation! Be sure to consult via phone first.

(Case 1) If your business has suffered a considerable loss of property due to a disaster

For example, loss of inventory and/or equipment due to disinfection/sanitization work done in a building/facility which had a case of COVID-19 infection

(Case 2) If you or a family member has fallen ill

You are temporarily unable to pay a portion of the national taxes because you or a member of the family fell ill, and the money allocated for tax payment was used instead for medical expenses, treatment, etc.

(Case 3) If you have discontinued or suspended your business

You are temporarily unable to pay a portion of the national taxes due to an unavoidable shut-down or suspension of your business, and subsequent expenses and losses.

(Case 4) If your business has suffered significant losses

You are temporarily unable to pay a portion of the national taxes due to obvious and significant losses, such as a decrease in earnings, etc.

NOTE: For more information about what documents you will need to submit with your application, please consult with your local tax office.

A routine review will be promptly carried out at the tax office.

○ If the grace period is granted...

- ▶ In principle, you will be granted a grace period of up to one year. (Under certain circumstances, an additional 1-year grace period may be granted.)
- ▶ During the grace period, delinquent taxes will be reduced.
- ▶ Attachment or realization (sale) of property will be deferred.

(Tax Payment Grace Period: Article 46, Act on General Rules for National Taxes)

