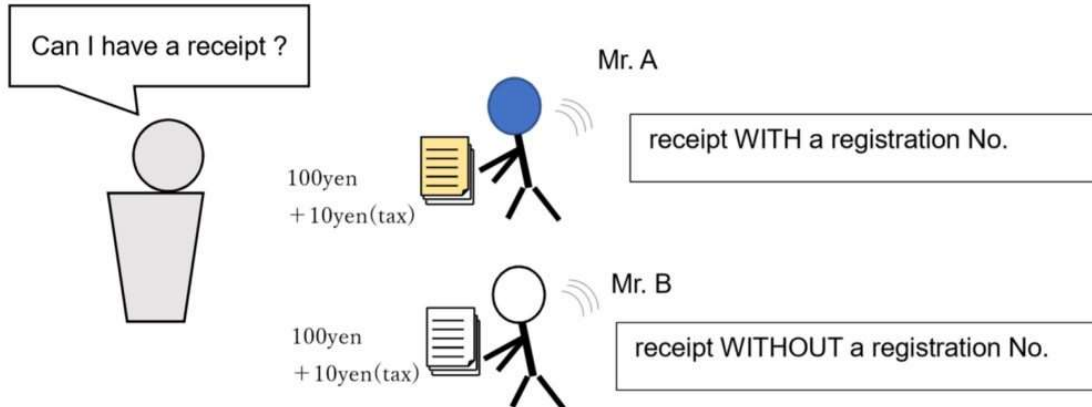


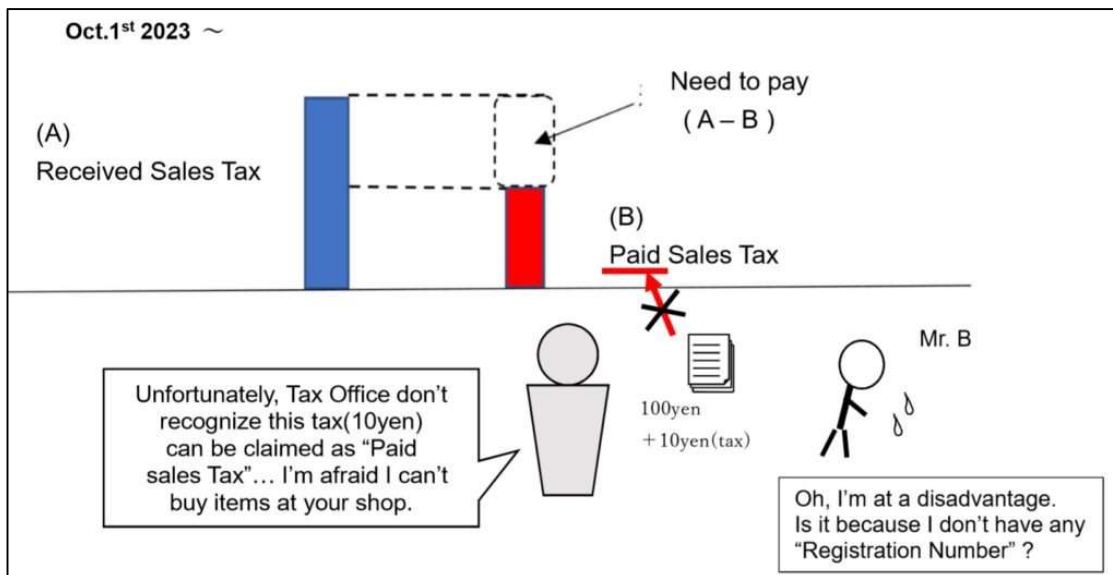
## The Impact of the New Rule for small Business owners;

Official Registration Number is issued only for “sales tax payer”.

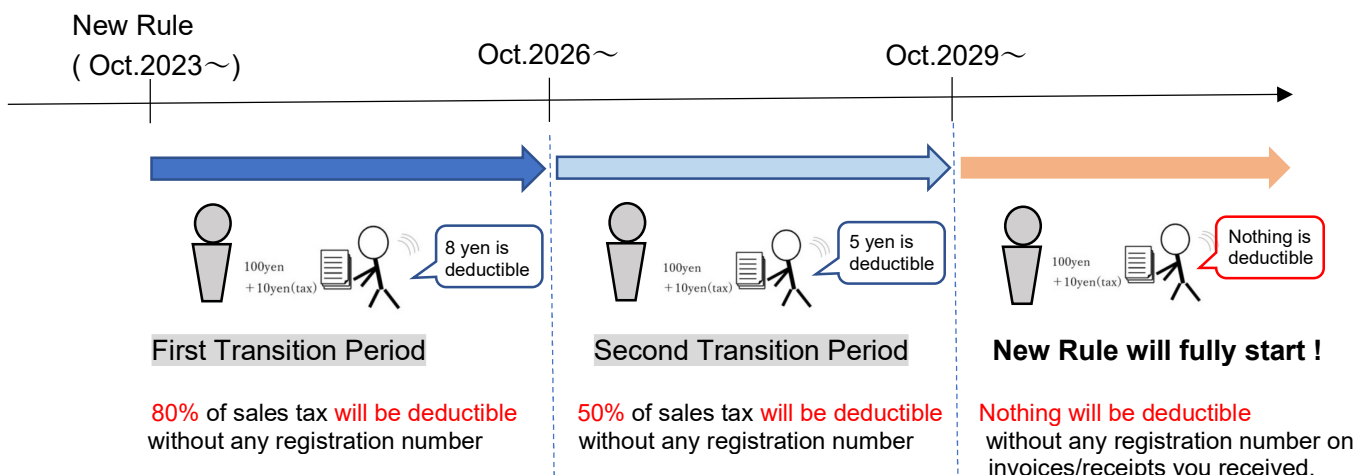
Find below a summary;



What do you think about Mr.B ? **He cannot get official registration number unless he files sales tax.**



## Summary of the 6 years TRANSITION PERIOD:



# How to deal with bookkeeping matter ?

Can I have a receipt ?

Mr. A: 100yen + 10yen(tax) receipt WITH a registration No.

Mr. B: 100yen + 10yen(tax) receipt WITHOUT a registration No.

1) You receive invoices/receipts from vendors.

100% deductible

80% (or 50%) deductible

No deductible

2) Then, classify them to three categories.

During "6 years transition", you need to pay attention to 80% or 50% deductible one.

**Example**

When I calculate Sales Tax, payable amount is this;

a) Received Sales Tax (10% rate)	900yen
b) Received Sales Tax, (8% rate)	100yen
c) Paid Sales Tax as 100% deductible, (10% rate) ▲	200yen
d) Paid Sales Tax as 100% deductible, (8% rate) ▲	180yen
e) Paid Sales Tax as 80%(or 50%) deductible, (10% rate)▲	80yen
f) Paid Sales Tax as 80%(or 50%) deductible, (8% rate) ▲	20yen
g) Paid Sales Tax but no deductible	--
Sales Tax need to pay	520yen

3) Next, calculate Sales Tax payable amount.

From Oct.1<sup>st</sup> 2023 to Sep. 30<sup>th</sup> 2029 is transition period which is set before new rule will fully start.

After Oct.2029, you don't need to care about e) and f).

**Example**

When I calculate Corporation Tax, taxable net income is this;

**Case 1; Sales tax included accounting;**

a) Gross Sales	11,000yen (inc.tax)
b) Expenditures	▲ 6,480yen (inc.tax)
c) Sales Tax Payable	▲ 520yen
Balance (Net Profit)	4,000yen

**Case 2; Sales tax excluded accounting;**

a) Gross Sales	10,000yen (ex.tax)
b) Expenditures	▲ 6,000yen(ex.tax)
Balance (Net Profit)	4,000yen

4) After calculating sales tax, you need to calculate taxable income for Corporation Tax.  
( If you are an individual (sole proprietor), for Income Tax)

**[What about 80%(or 50%) deductible one?]**

For example, when you receive an invoice without any Official Registration Number in Oct.15<sup>th</sup> 2023, please deal with it like this way;

**Case 1; Sales tax included accounting;**

550yen for office supplies.  
→ Expenditure is 550 yen

**Case 2; Sales tax excluded accounting;**

550yen for office supplies.  
→ Expenditure is 510 yen  
( 500yen + 50yen × 20%)

\* 50yen × 80% can be deducted as "paid sales tax"

