

Fixed-Amount Tax Reductions in 2024

- ★ **Eligible individuals; Japanese residents with a net annual income of less than 18,050,000yen.**
 - ★ **The total amount of **Income Tax Reduction** ; (A) + (B).**
 - (A) Personal; 30,000yen
 - (B) Dependents, spouses or families; 30,000yen per person (resident only)
 - ★ **The total amount of **Local Inhabitant Tax Reduction** ; (A) + (B)**
 - (A) Personal; 10,000yen
 - (B) Dependents, spouses or families; 10,000yen per person (resident only)
- Note that the tax reduction should be less than the amount of the initially calculated income tax and local inhabitant tax.

(1) Detailed calculation for **Income Tax reduction**

Case1. A person who is an employee, including a board member.

(Step A) Deduct the Income Tax Reduction from your "originally calculated" withholding income tax". This reduction will be applied to the salary or bonus paid in June 2024. If your tax reduction exceeds your initially calculated income tax for the month, it should be equal to the original amount.

Note; When you receive the subsidiary salary, this calculation is done using your main wage.

(Step B) Deduct the excess Income Tax Reduction from salaries or bonuses paid in 2024, as calculated in (A).

(Step C) In 2024, the company's "year-end tax adjustment" will include the income tax reduction.

Note; The reduction amount must be noted in your payslip and Gensen Choshu-Hyo(源泉徴収票).

Case2. A sole proprietor.

(Step A) In July 2024, your income tax reduction will be deducted from any advance payments for the current year's income tax.

(Step B) The excess Income Tax Reduction for (A) will be deducted in November 2024.

(Step C) In some situations, you can request a reduction in the "advance payment" amount. This approach considers your dependents' income tax reduction.

(Step D) When you file taxes for 2024, the Income Tax Reduction will be taken into the annual tax payable amount.

(2) Detailed calculation for **Local Inhabitant Tax Reduction**

Case1. Local tax is withheld from your monthly salaries.

… Only in 2024 will the annual local tax be divided eleven times, not twelve.

Case2. Paying local tax on your own.

… The already-deducted amount will be stated on the payment letter from City Hall.