

Effect of transition rules on small business and clients

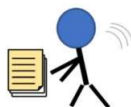
(※updated in 16/12/2022)

【Important Point】

The registration number at Japanese “インボイス制度” is issued only for Sales Tax Payer.

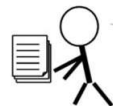


100yen
+ 10yen (tax)



Mr.A can bring the receipts/invoices with the registration number.

100yen
+ 10yen (tax)



Mr.B can NOT bring the receipts/invoices with the registration number.



Under the new rule start from Oct. 1st 2023

(A)

Received Sales Tax



Your client needs to pay is ;

(A) - (B)

(B)

Paid Sales Tax

Unfortunately, Tax Office don't recognize this tax(10yen) can be claimed as "Paid sales Tax"... I'm afraid I can't buy items at your shop.



100yen
+ 10yen(tax)



Mr. B

Oh, I'm at a disadvantage. Is it because I don't have any "Registration Number" ?



【Transitional Measures 1 ; Help for Clients 】



Even I actually paid 10yen as a Sales Tax, it can't be deducted ...
I'll buy from someone else.



No big loss so far !



100yen
+ 10yen(tax)



8yen of 10yen is deductible without registration number.

【Transitional Measures 2 ; Help for small business owner who decided a Sales Tax Payer.】



Mr.B

Without being sales tax payer, I can't get registration number. But sales tax will be expensive!



No big loss so far !



Mr.B



You file Sales Tax although small business owner like you don't need to !
Okay, you may use simpler way to calculate taxable amount !