



To foreign residents who are receiving a salary in Japan

1. Tax on salary and income

The taxes on salary and income are the withholding income tax and special income tax for reconstruction (hereinafter referred to as “withholding tax, etc.”), which are national taxes and the municipal tax and prefectural tax, which are local taxes.

The withholding income tax, etc. is deducted from your salary each month and the annual tax amount is adjusted at the end of the year.

The municipal tax and prefectural tax are paid to the municipality where you live as of January 1 of the year following the year when you had the salary and income, and deducted from your salary each month in principle.

2. Payment method of the municipal tax and prefectural tax

The municipal tax and prefectural tax are paid by means of ordinary collection or special collection.

Ordinary collection is a direct payment method to the municipality in person and can be paid at a municipal office, banking establishment, etc. for the months of June, August, October, and January of the year subject to taxation in principle or can be paid by making a bank transfer by using the tax notice sent to you.

Special collection is a method where the employer of your place of employment deducts the municipal tax and prefectural tax from your salary each month and pays to the municipality from June of the year subject to taxation to May of the following year on your behalf.

3. Payment method of the municipal tax and prefectural tax if you are out of the country

Even if you will be out of the country halfway through the year, you have to pay the entire amount of the municipal tax and prefectural tax of the fiscal year subject to taxation.

3.1 To those who are out of the country from June (after the tax notice is sent) to December

3.1.1 If paying by means of ordinary collection

Please pay a year’s worth of municipal tax and prefectural tax before you depart. If paying in full is difficult, you have to designate an individual who has an address Mito as a tax agent who can pay the municipal tax and prefectural tax on your behalf. You have to submit the “Tax Agent Declaration” at the Municipal Tax Division to designate a tax agent.

3.1.2 If the municipal tax and prefectural tax are deducted from your salary by means of special collection

By asking the accounting personnel in your place of employment, the unpaid municipal tax and prefectural tax can be deducted and paid in full from your salary on your last month in your place of employment.

If unable to do so, the tax notice will be sent from the municipality. Please pay the unpaid municipal tax and prefectural tax with that. However, in this case it takes some time before you receive the tax notice, so please ask the accounting personnel in your place of employment as best as you can to deduct the municipal tax and prefectural tax in full from your last salary.

3.2 To those who are out of the country from January to June (before the tax notice is sent)

The tax notice of the municipal tax and prefectural tax in the year you are out of the country will be sent in the middle of June. If you have a certain amount of income or more and are subject to the municipal tax and prefectural tax, you have to designate a tax agent when you depart or make a “prepayment” where you pay before the tax notice is sent.

If you want to make a prepayment, you have to submit a copy of your final return, certificate of income and withholding tax, certificate of paid premium of the municipal tax and prefectural tax, document that proves your income situation over the previous year to Mito City. You will be informed of the tax amount and payment method by Mito City at a later date.

Please pay the municipal tax and prefectural tax of the year of your departure.

4. Tax Convention

4.1 Brief overview

Japan has the Tax Convention with 71 countries and regions (as of November 1, 2018), of which makes a provision that exempts taxation for payments received by a **professor, an international student, a business apprentice, etc.** with the objective of promoting exchange activities.

If you meet the requirements of the exemption, you are exempted from withholding tax, municipal tax, and prefectural tax in whole or in part even if you had an income. However, the requirements differ according to country and region.

4.2 Procedures to become eligible for the Income Tax Convention

If you receive a salary from a place of employment, under normal conditions, the withholding tax, etc. is deducted from the salary.

However, if your place of employment applies for the Income Tax Convention, the withholding tax, etc. will not be deducted from you salary.

To become eligible for the Income Tax Convention, the “Application Form for Income Tax Convention” (available at the Tax Office) has to be submitted to the Tax Office so ask your place of employment to apply. As soon as the Tax Office processes the application, get a copy of the “Application Form for Income Tax Convention” from your place of employment and submit it to the Municipal Tax Division by March 15, 2019 with the “Application Form for Non-Taxable Income under the Provision of the Income Tax Convention” (available at the Municipal Tax Division).

Note: If you are a **professor, an international student, a business apprentice, etc.** and you recently learned that the withholding tax, etc. is being deducted from your salary, you can make a claim for a refund by the submission of the “Application Form for Income Tax Convention” and “Application Form for Refund of the Overpaid Withholding Tax in Accordance with the Income Tax Convention” (available at the Tax Office) to the Tax Office by your place of employment, so please ask your place of employment to apply. As soon as the Tax Office processes the refund application of the withholding tax, etc., get a copy of the “Application Form for Income Tax Convention” from your place of employment and submit it to the Municipal Tax Division with the “Application Form for Non-Taxable Income under the Provision of the Income Tax Convention” (available at the Municipal Tax Division).

Contact Information

Municipal Tax and Prefectural Tax

Municipal Tax Division

Mito City Hall

1-5-48 Tyuou, Mito

Tel: 029-224-1111

Withholding Tax, etc.

Personnel in Charge of Withholding Tax

Mito Tax Office

1-17 Kitamicho, Mito

Tel: 029-231-4211 (Main)