

1307: Outline of Additional Tax System and Heavy Additional Tax System

(1) Additional Tax for Deficient Declaration

When an amended return is filed in compliance with tax office's instructions after a deficient tax declaration is found, additional tax for delinquent return shall be, in principle, collected at the rate of 10% (refer to the below) of the tax increment. No additional tax is due if there is reasonable grounds for the understated return. If an amended return is filed voluntarily without foreknowledge of the correction by the inspection, no additional tax is imposed.

(Note) If an incremental tax after the amended return exceeds the amount of the principle tax or ¥500,000 (whichever larger), an additional tax for deficient declaration shall be collected at the rate of 15% of the excessive amount.

(2) Additional Tax for No Declaration

When no tax declaration is made and when a decision is made accordingly by the director-general of the customs office or when a correction is made after the said decision, an additional tax for no return shall be collected at the rate of 15% of the tax amount payable under the said decision. However, no additional tax is due if there is reasonable grounds for no declaration.

(Note) When the tax amount payable under the decision exceeds ¥500,000, An additional tax for no declaration shall be collected at the rate of 20% of the excessive amount.

(3) Heavy Additional Tax

When "additional tax for deficient declaration" mentioned above in (1) is imposed on an importer and when the importer files a deficient return by means of concealing or suppressing the fact that it is basis for determining taxable values, etc., the heavy additional tax shall be imposed, instead of additional tax for deficient declaration concerning tax amount that should be basis for calculating additional tax for deficient declaration, at the rate of 35% of the basic tax amount.

When "additional tax for no declaration" mentioned above in (2) is imposed on an importer and when the importer files a tax declaration by means of concealing or suppressing the fact that it is basis for determining taxable values, etc., the heavy additional tax shall be imposed, instead of additional tax for deficient declaration concerning tax amount that should be basis for calculating additional tax not declared, at the rate of 40% of the basic tax amount.

When part of the tax amount is based on the fact that it is not concealed or suppressed, the amount shall be deducted from the tax amount that should be basis for calculating the heavy additional tax.

(Article 12-2, 12-3 and 12-4 of the Customs Law)