



1 Tax

(1) Life and tax

People who live in Japan for more than one year, even when they are foreigners, are required to pay taxes in the same way as Japanese nationals, if they have a certain level of income (earnings). First of all, learn about how taxes work in Japan.

(2) Types of taxes

Japanese taxes can be broadly divided into two types: national taxes which are paid to the state, and local taxes which are paid to the prefecture or municipality. The most representative national tax is income tax; the most representative local taxes are local inhabitants tax and motor vehicle tax. In addition, both national taxes and local taxes are each divided into two types: direct taxes and indirect taxes. Income tax and local inhabitants tax are examples of direct taxes, and consumption tax is an example of an indirect tax.

		Direct taxes	Indirect taxes
National taxes		Income tax, corporation tax, inheritance tax, gift tax etc.	Consumption tax, alcohol tax, tobacco tax, customs, stamp tax etc.
Local taxes	Prefectural taxes	Prefectural inhabitants' tax, business tax, motor vehicle tax etc.	Local consumption tax, prefectural tobacco tax, golf course use tax etc.
	Municipal taxes	Municipal inhabitants' tax, fixed asset tax, light motor vehicle tax etc.	Municipal tobacco tax, bathing tax etc.