

1. Municipal residence tax

Municipal residence tax is collected from individual Fukuoka City residents to cover the costs of municipal administrative services. The cost of these services is shared amongst residents according to their ability to pay.

The tax comprises two parts:

- a flat-rate part, which is paid equally by all residents; and
- an income-based part, which varies depending on your income from the previous year.

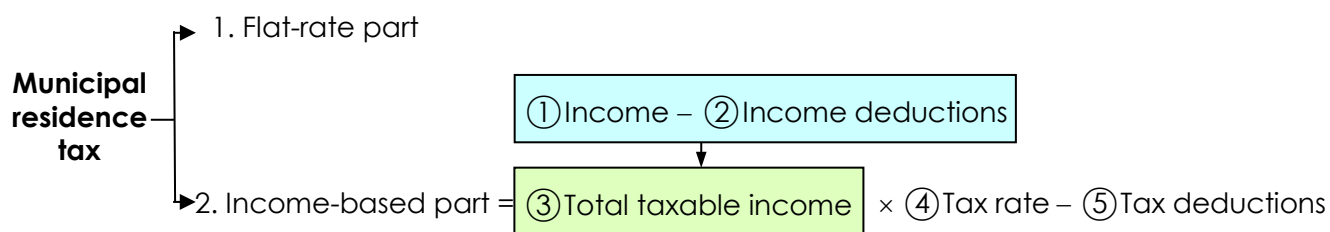
Additionally, Fukuoka Prefecture has a prefectural residence tax. This tax is declared and paid together with individual municipal residence tax to the Fukuoka City government. Together, these taxes are generally called residence taxes.

(1) Foreign residents who must pay municipal residence tax

Foreign residents living in Fukuoka City as of January 1 must also pay municipal residence tax. If you have an office or real estate in a ward other than the one where you live, you only need to pay the flat-rate part of the tax to the ward where your office or real estate is located.

(2) Calculating your taxes

Municipal residence tax can be broken down as follows:



Information on 1., 2., and ① to ⑤ can be found below.

1. Flat-rate part

The annual flat-rate portion amount is currently ¥3,500 (plus ¥2,000 for the prefectural residence tax).

2. Income-based part

The income-based part is calculated as follows:

First, subtract ② *income deductions* from ① *income* to obtain ③ *total taxable income*. Multiply your ③ *total taxable income* by the ④ *tax rate* that applies to you.

① Income

Income is the amount of money (revenue) you earned from January 1 to December 31 of the previous year after direct expenses have been deducted. For example, if you have a salaried income, deductions are based on your income level.

The taxable income of foreign residents is based on the nature and duration of their stay in Japan. See page 4 for details.

② Income deductions

Income deductions are certain amounts of money deducted from your income. This system adjusts the tax burden on taxpayers based on their individual circumstances, such as the presence of a spouse or dependents, extra expenses due to illness or disaster.

③ Total taxable income

Total taxable income is calculated by subtracting income deductions from your income and rounding down amounts smaller than ¥1,000.

④ Tax rate

The tax rate for the income-based part of municipal residence tax is 8% (2% for prefectural residence tax).

⑤ Tax deductions

Tax deductions are intended to prevent double taxation on dividend income and income earned overseas.

(3) Declaring your municipal residence tax

Individuals living in Fukuoka City as of January 1 must submit an individual municipal residence tax declaration by March 15 of the same year. This declaration must be submitted at the ward office where you lived as of January 1. You do not have to submit a tax declaration if you:

- did not earn any income the previous year;
- only received a salaried income during the previous year, and your employer filed a report of earnings to the city on your behalf;
- filed a final income tax declaration to the tax authorities; or
- earned no more than ¥430,000 during the previous year.

(4) Due date and payment methods

Municipal residence tax is collected by one of the following three methods:

- ① ordinary collection;
- ② special collection from your salary; or
- ③ special collection from your public pension.

① Ordinary collection

If you are self-employed or have resigned from a company and are receiving no salary, the ward office will send you tax notifications (payment slips). You must use these to pay your tax at a bank, financial institution or a convenience store in four installments (June, August, October, and January of the next year).

Payment month	1 st period	2 nd period	3 rd period	4 th period
	June	August	October	January

* Payments are due by the end of the month. If the payment due date is on a Saturday, Sunday or public holiday, the due date will change to the next working day.

If you will move out of Fukuoka City or leave Japan, you must appoint a tax agent. Furthermore, if you will leave Japan, you must pay the outstanding amount.

② Special collection from salary

If you work at a company or other organization, your employer will notify you of your tax. Your employer will withhold the tax from your salary in monthly installments from June to the following May. They will then pay the withheld tax to your municipal office on your behalf the following month.

You must ask your employer to withdraw all outstanding residence taxes from your salary in one lump sum if you leave the company or Japan.

③ Special collection from public pensions

As of the first day of the fiscal year (April 1), if you are:

- aged 65 or older and receiving a public pension, such as old-age basic pension; and
- required to pay municipal residence tax

your taxes will be withheld from your pension payments based on your pension income. The pension payer will pay the tax withheld from your pension to your local municipal office on your behalf. This will be paid by the 10th of the month following your pension payment.

If you have an income other than a public pension, such as from a salary, business or real-estate, you must pay tax on that income by ordinary collection or special collection.

*Because individual residence tax is calculated based on the previous year's income, you may still be required to pay municipal residence tax after you leave Japan. In that situation, you must appoint a tax agent (see page 8 for details). Before leaving Japan, check with the Tax Imposition Section at your ward office for more information.



(5) Taxable income for foreigners

Taxable income for foreigners is determined based on their residence status in Japan. For taxation purposes, foreigners are categorized into “residents” and “non-residents.” “Residents” are further divided into “non-permanent residents” and “permanent residents.”

Residents: people who have a “domicile,” or have had a “residence” for one consecutive year or longer in Japan

(Note) In general, people who have a living base in Japan are deemed to have a domicile in Japan. If you do not have a domicile but stay or live in Japan, you are deemed to have a residence in Japan.

- **Non-permanent residents:** residents who do not have Japanese nationality, and who have had a domicile or residence in Japan for less than a total of five years within the last ten years
- **Permanent residents:** residents other than non-permanent residents

Non-residents: people who are not residents

- Taxation conditions for the above categories are shown in the table below.

Category		Taxable income			
		Income from sources in Japan		Income from sources abroad	
		Paid in Japan	Paid abroad	Paid in Japan	Paid abroad
Residents	Non-permanent residents	Entire amount taxable	Entire amount taxable	Entire amount taxable	Only the part of your earnings deemed to be transferred to Japan is taxable. Income paid and held abroad is not taxable.
	Permanent residents	Entire amount taxable	Entire amount taxable	Entire amount taxable	Entire amount taxable
Non-residents		Taxable in principle		Not taxable	

(6) Tax agreements

If you are a citizen of a country with which Japan has signed a tax agreement, your municipal residence tax in Japan may be reduced or exempted in accordance with the terms of the agreement.

In addition, in the case of foreign government employees, professors, foreign students, etc., even if they are from countries that have concluded tax treaties that do not directly concern municipal residence tax, they are not subject to municipal residence tax on income that is exempt from income tax.

(7) Declaring dependents that reside abroad

If you apply for deductions or the tax-free limit system for a dependent who does not have domicile in Japan, you must attach a document of family relations*¹ and remittance-related documents*² when submitting your declaration.

***1:** Examples of documents of family relations

- (1) A copy of the family register label, documents issued by the country or a regional public organization, and a copy of the family member’s passport
- (2) Documents issued by a foreign government or a regional public organization (limited to documents that include the relative’s name, address, and date of birth)

***2:** Examples of remittance-related documents

- (1) Documents that clearly indicate payments made from the person declaring them as a dependent to the relative through currency exchanges conducted by a financial institution
- (2) Documents that clarify that the relative has received an amount of money from the person declaring them as a dependent, and that the amount is equivalent to the purchase price of the goods by presenting a card issued by a credit card issuer and purchase record.