

Deferment Is Available for People Unable to Pay Municipal Tax as a Lump Sum

If Deferment Is Approved...

- Overdue payment fees for the deferment period will be waived, in whole or in part.
- Seizure or conversion (sale) of assets will be deferred.

Deferment of Asset Conversion

If lump-sum payment of municipal tax could cause difficulties in maintaining your business or lifestyle...



You may be eligible to defer asset conversion for up to one year by submitting an application to the Tax Affairs Section within six months

- As a general rule, deferment of asset conversion will not be granted if you are already overdue for payment of municipal tax other than the municipal tax for which you are applying for deferment of the municipal tax due date.
- In addition to the above deferment of asset conversion upon application, asset conversion can also be deferred by authority of the mayor.

Deferment of Collection

- (1) Your assets have suffered a disaster or been stolen
 - (2) You or a person living in the same household (such as a relative) are sick or injured
 - (3) Your business has been shut down or suspended
 - (4) Your business has experienced significant losses*
- *“Significant losses” are defined as losses (negative earnings) exceeding half of the previous year’s profits, during the year prior to application.
- (5) The amount of tax to be paid by filing an amended return or other means becomes final and binding more than one year after the original due date

If you are temporarily unable to pay your municipal tax for one



You may be eligible to defer collection for up to one year by submitting an application to the Local Tax Section.

Note: For (5) above, the application must be filed by the due date.

If you cannot pay your municipal tax by the due date, please contact a Local Tax Section representative for a consultation as soon as possible. If your municipal tax is not paid by the due date, an overdue payment charge will apply based on how many days late the tax is paid. In addition, if you do not pay your tax even after receiving a demand letter, you may be subject to forced collection for overdue payment, such as seizure of assets.

Application Procedure

Documents to Be Submitted

- (1) Application for Deferment of Municipal Tax Asset Conversion, or Application for Deferment of Municipal Tax Collection
- (2) Inventory of Assets, and Statement of Income and Expenditures
(Records with entries showing the status of assets, liabilities, income, expenditures, etc.)
- (3) Documents concerning the provision of collateral
- (4) Documents proving claims of disasters, etc. (for deferment of collection)
(Disaster certificates, receipts for medical expenses, business closure notifications, financial statements, etc.)

Due Date for Application

Deferment of Asset Conversion:

Within six months from the due date of the municipal tax to be deferred

Deferment of Collection:

For cases (1)–(4) on the front of this page, there is no due date for application, but please apply before the period for which you would receive deferment. If case (5) applies, please file your application by the due date for the municipal tax, which was finalized to be paid more than one year after the original due date.

Approval or Denial of Deferment

After examining the documents submitted, the Local Tax Section will notify the applicant of whether deferment has been approved or denied. If deferment is approved, payment must be made as per the installment payment plan described in the Notice of Grant of Deferment sent by the Local Tax Section.

Provision of Collateral

As a general rule, when applying for deferment, it is necessary to provide collateral of value equivalent to the amount for which you are requesting deferment. The main types of assets that can be provided as collateral under the Local Tax Law are:

- Government bonds, and negotiable securities such as listed stocks that have been deemed reliable by the mayor
- Land and buildings
- Guarantee by guarantors deemed reliable by the mayor

However, collateral is not required under the following circumstances:

- If the amount to be deferred is 1,000,000 yen or less
- If the deferment period is three months or less
- If there are special circumstances, such as not owning any assets of the kind that could be provided as collateral as mentioned above

Deferment Period

• The deferment period can extend until what is deemed to be the earliest possible payment date of municipal tax, based on the applicant's assets, income, and expenditures, up to a maximum of one year.

• As a general rule, municipal taxes granted deferment are paid in monthly installments during the deferment period.

Note: If payment cannot be made in full during the deferment period for what are deemed to be unavoidable reasons, the deferment period can be extended upon application to the Local Tax Section (up to a total of two years, including the initial deferment period).

Revocation of Deferment

Deferment may be revoked after being granted, under the following circumstances:

- Failure to pay the installment payments set forth in the Notice of Grant of Deferment
- New municipal taxes other than the taxes for which deferment has been granted are overdue for payment, or similar circumstances

For more information on how to fill out an application, please contact the Local Tax Section.