Fixed Asset Tax Guide
Kanazawa City

◆ **What is Fixed Asset Tax?**

Fixed asset tax is to be paid by the owners of fixed assets (land, houses/buildings, and depreciable assets) as of January 1 of each year (the "assessment date").

Types of Fixed Assets

① Land…… Rice fields, fields for other crops, residential land, forest, wilderness, ponds and swamps, miscellaneous sites, etc.
② Houses/Buildings……Housing, stores, factories, warehouses, offices, etc.
③ Depreciable Assets…Structures, machinery and devices, vessels, aircraft, vehicles and carriers, industrial tools, instruments and equipment that can be used for business (other than land and houses/buildings)

◆ **Taxpayers of Fixed Asset Tax**

Fixed asset tax is to be paid by the owners, as of January 1 of each year, of fixed assets (land, houses/buildings, and depreciable assets) in Kanazawa City. Specifically, the following:

Land	People registered as the owner in the registry or the supplemental land tax ledger
Houses/Buildings	People registered as the owner in the registry or the supplemental land tax ledger
Depreciable Assets	People registered as the owner in the depreciable asset tax ledger

* Even if the actual owner has changed due to sale, inheritance, etc., the former owner is still considered the taxpayer if the registry or tax ledger transfer procedure has not been completed as of January 1 (the assessment date).
In addition, if a person registered in the registry or the tax ledger as the owner dies before the assessment date, the person who actually owns the land or house/building (the heir, etc.) is considered the taxpayer as of January 1 (the assessment date).

◆ **Tax Base and Value (Appraised Value) of Fixed Asset Tax**

The price shall be determined by the method for determining the appropriate market value based on the fixed asset value criteria specified by the Minister of Internal Affairs and Communications, and as a general rule, the value shall be revised every three years (fiscal 2024, fiscal 2027, fiscal 2030…). (However, the value of depreciable assets shall be determined each year.)
The year of reevaluation is considered the base year, and as a general rule, appraised values remain unchanged for three years.
However, in fiscal years other than the base year (i.e. the fiscal year after the base year, and the fiscal year two years after the base year), in the event of a land category change or the new construction, extension, or renovation of a house/building, the value will be newly reevaluated and redetermined.

◆ **Valuation of Fixed Assets**

The valuation of fixed assets is based on the fixed asset value criteria. Specifically, the following:

① Land…… Valuation is based on the normal sales price calculated based on the actual sales price by land category.

② Houses/Buildings……Valuation is based on the rebuilding price (the construction cost required if the building is to be newly rebuilt, at the location at the time of evaluation of the building, exactly the same as the building subject to evaluation), taking into consideration the wear and tear costs that have arisen from the number of years since the building was constructed.

③ Depreciable Assets…Valuation is based on the acquisition cost, and by taking into account estimated useful life/lives and depreciation over the number of years since acquisition

◆ **Fixed Asset Tax Amount**

Fixed Asset Tax Amount = Taxable Base Amount × Tax Rate (1.4%)

* A city planning tax (tax rate 0.3%) applies to land and houses/buildings located in urbanization promotion areas, in addition to fixed asset tax. See page 4 for more information on the city planning tax.

◆ **Tax Exemption Limits**

Fixed asset tax shall not be imposed on total respective taxable base amounts of land, houses/buildings, and depreciable assets owned by the same person in Kanazawa City as follows:

(The exemption limits were changed as follows from fiscal 2027).

Land: Less than 300,000 yen　Houses/Buildings: Less than 300,000 yen Depreciable Assets: Less than 1,800,000 yen

◆ **Public inspection of the registers**

Every year, from April 1 through the first payment due date of the fiscal year, you may view the Land Valuation Register and the Building Valuation Register, which list property values and other details at the Property Tax Division's service counter.

These registers allow taxpayers to verify the values of the land and buildings they own. They also allow others to compare these values with those of land or buildings they own within Kanazawa City.

◆ **Tax Notices**

Tax notices shall be sent by the Property Tax Division during or after April of each year. Tax notices indicate the taxable base amount, tax amount, due date, etc.

◆ **Method of Tax Payment**

Please use the payment slip enclosed with the tax notice sent by the Property Tax Division to make your payment at a financial institution or convenience store by the due date. In addition to direct debit, you can use eL-QR code to pay via smartphone payment apps, credit cards, and other methods.

◎Due Date　First Term…April　Second Term…July Third Term…December　Fourth Term…February (In the event that financial institutions are closed on the due date, the due date may be changed.)

【Regarding Land】

◆ **Adjustment Measures for Tax Burden on Residential Land**

For fixed asset tax on residential land, burden adjustments are made to gradually correct the taxable base amount so that even if the appraised value rises sharply, the tax burden will rise more gradually.

Specifically, tax burden is reduced or left unchanged for land with a high level of burden, and increased for land with a low level of burden.

◆ **Special Measures on Tax Base for Housing Lots**

Regarding land used for houses/buildings meant exclusively for human residence (housing lots), special measures on the tax base shall be applied with a focus on reducing the tax burden.

・Small housing lots (up to 200 m²)…… Taxable base amount = appraised value × 1/6
・General housing lots (larger than 200 m²) … Taxable base amount = appraised value × 1/3

◆ **Exemption from the Special Measures on Tax Base for Housing Lots**

In the event of the demolition of a house/building used exclusively for human residence, the tax amount will increase, because the special measures on the tax base that have been applied to date will no longer be applicable.

*** <u>In the event of any change in the status of use of residential land (residential land ⇔ non-residential land), please be sure to inform the Property Tax Division.</u>**

【Regarding Houses/Buildings】

◆ **Measures to Reduce Fixed Asset Tax on Newly Constructed Housing**

If newly constructed housing meets requirements ①, ② and ③ below, the fixed asset tax will be reduced by one half for a set period of time after the new house is constructed. However, the city planning tax is not reduced.

<u>After the end of the tax reduction period, the normal taxation amount will apply.</u>

① Purpose of Use…Exclusive housing or multiuse housing, apartment housing, etc.
Provided, however, that for multiuse housing, the floor area of the portion used as a dwelling (the habitable area) shall be one half or more of the total floor area.

② Floor Area……Housing built between January 2 and March 31, 2026 must have a floor area of living space of 50 m^2 or more but no more than 280 m^2;
Housing built on or after April 1, 2026 must have a floor area of 40 m^2 or more but no more than 240 m^2.
However, for rental housing other than single-family housing (such as apartment buildings and dormitories), the floor area per unit (floor area of the exclusive-use portion + floor area of the common-use portion proportional to the exclusive-use portion's area*) must be between 40 m² and 280 m² for housing built between January 2 and March 31, 2026, and for housing constructed on or after April 1, 2026, the floor area must be between 40 m² and 240 m².
* The floor area of the shared space shall be divided proportionally by the ratio of the floor area of each exclusive owned space that shares the shared space.

③ Other……The housing must not have been newly constructed in violation of the recommendation issued under the Act on Special Measures Concerning Urban Regeneration.

◎Extent of Reduction

Only the habitable area of newly constructed housing is eligible for the reduction, and the store or office space portion of multiuse housing is not eligible for the reduction.

All habitable areas with a floor area of 120 ㎡ or less are eligible for the reduction, but those with a floor area greater than 120 ㎡ are eligible only for 120 ㎡ worth of reduction.

◎Reduction Period

	Ordinary newly built housing	Certified long-life quality housing*
Ordinary housing	Three years	Five years
Medium-to-high-rise fireproof and semi-fireproof housing three or more floors tall	Five years	Seven years

* "Certified long-life quality housing" refers to housing stipulated in the Act on Dissemination of Long-Life Quality Housing.

The reduction period is extended for two additional years compared to newly built housing only in the event that a tax reduction return is filed by January 31 of the new taxable year.

◆ **Specified Ancillary Facilities Installed in Houses/Buildings**

Regarding interior decorations, building equipment, etc. (referred to as "specified ancillary equipment") installed in houses/buildings as business assets by a person other than the owner of the house/building (such as a tenant) after April 1, 2004, a fixed asset tax related to specified ancillary equipment shall be imposed on individuals other than the owner of the house/building (such as tenants) only when said individual has submitted a written notice of the specified ancillary equipment and filed a declaration of depreciable assets.

【Regarding Depreciable Assets】

◆ **Declaration of Depreciable Assets**

If you own any assets (depreciable assets), other than land or houses/buildings, for any business, please declare your possession of depreciable assets as of January 1 of that year, by January 31.

◎ Assets Considered Depreciable Assets

Class 1	Structures, Buildings, and Accessory Facilities	Building exteriors, plants, gardens, paved roads, outdoor lighting, signboards, fences, snow-melting equipment, LAN wiring, power receivers/transformers, private power generation equipment, etc.
Class 2	Machinery and Devices	Manufacturing equipment, cleaning equipment, printing equipment, mechanical parking equipment, etc.
Class 3	Vessels	Fishing vessels, boats, cargo ships, etc.
Class 4	Aircraft	Airplanes, helicopters, gliders, etc.
Class 5	Vehicles and Carriers	Large-scale special vehicles such as forklifts and wheeled platforms
Class 6	Industrial Tools, Instruments, and Equipment	Desks, chairs, air conditioners, PCs, kitchen equipment, medical equipment, etc.

* Interior decorations and construction equipment (electricity, water supply and drainage, air conditioning equipment, etc.) installed by tenants of stores or offices are also subject to declaration.

◆ **Contact the Property Tax Division in the Following Cases:**

① If the owner of the land or house/building dies before January 1
② If a newly built house/building is not registered
③ If a house/building is demolished
④ If the owner of an unregistered house changes due to a sale, inheritance, or other reason
⑤ If there is any change in land use status due to the acquisition of neighboring land (expansion of the site, parking lot for private use, home vegetable garden, etc.)
⑥ If intending to be exempted from taxation or after ceasing to be subject to taxation on land or houses/buildings

◆ **What Is City Planning Tax?**

City planning tax is a special-purpose tax paid by people who own land or houses/buildings, as of January 1 of each year, in urbanization promotion areas of Kanazawa City. It is used to pay the expenses required for city planning projects and land readjustment projects. As a general rule, the taxable base amount is the value (appraised value) of land and houses/buildings.

・Special measures on tax base for housing lots (with the same burden adjustment as fixed asset tax)

・Small housing lots (up to 200 m²) …… Taxable base amount = appraised value × 1/3 ・General housing lots (larger than 200 m²)…Taxable base amount = appraised value × 2/3

・Method of Calculation of Tax Amount

Amount of city planning tax = Taxable base amount × tax rate (0.3%)

・Method of Tax Payment…… Paid in conjunction with the fixed assets tax
・Tax Exemption Limits …… No city planning tax shall be imposed if the fixed assets tax is less than the tax exemption limits.

◆**Contact Information (Property Tax Division)**

Land: **076-220-2153**
Houses/Buildings: **076-220-2156**
Depreciable Assets: **076-220-2158**