

For business operators

Starting January 7, 2019

June 2018
National Tax Agency
Ministry of Finance

An International Tourist Tax will be levied on travelers departing from Japan.

1. Outline of the “International Tourist Tax”

The “International Tourist Tax” will be introduced to provide a permanent source of funds to expand and enhance Japan’s tourist infrastructure in an effort to make Japan the top tourist destination.

The “International Tourist Tax” is a scheme in which cruise lines and airlines (special tax collectors), in principle, must collect the tax from all passengers except those eligible for exemption (hereinafter referred to as “international tourists”) upon departure from Japan (1,000 yen per departure), and pay the collected tax to the Government of Japan.

○ Outline

| | |
|---------------|--|
| Tax payers | Passengers leaving Japan by sea or air (international tourists.) |
| Tax rate | 1,000 yen per departure |
| Starting date | January 7, 2019 |

○ Tax exemption, etc.

| The tax shall not be levied on the following people | Category |
|---|-------------|
| (1) Ship and aircraft crew members (2) Those being deported (3) Those leaving Japan by a special means (e.g. government plane) (4) Those who have returned to Japan without entering another country after departure from Japan due to weather or under other unavoidable circumstances | Untaxable |
| (5) Transit passengers (leaving Japan within 24 hours of arrival) (6) Passengers of international ships stopping at Japan due to weather or under other unavoidable circumstances (7) Children under the age of 2 | Non-taxable |
| (8) Diplomats, consuls, and other eligible personnel stationed in Japan (for official purposes only) (9) State guests and others with equivalent status (10) US Armed Forces personnel and UN Armed Forces personnel (for official purposes only) (Note) (8) and (9) are based on reciprocity. | Exempted |

○ Who are “international tourists”?

The term “international tourists” as used here, refers mainly to:

- (1) Tourists and other individuals leaving Japan after approval in accordance with the Immigration Control and Refugee Recognition Act
- (2) Passengers going abroad by aircraft via Japan (Those leaving Japan within 24 hours of their arrival are non-taxable.)

The term includes, apart from tourists, those leaving Japan for business, public service, employment, study, medical and other reasons.

2. Outline of special tax collectors

(1) Special collection

Operators of international passenger transport business are required to collect the "International Tourist Tax" from international tourists before they board their means of transportation. Businesses with their head offices or other offices in Japan (hereinafter referred to as "domestic business operators"), must pay the collected tax to the tax office having jurisdiction over the region. All other businesses (hereinafter referred to as "overseas business operators"), must pay the collected tax to the customs office having jurisdiction over their region. Payments must be made by the end of the second month after the international tourists departure from Japan.

○ What is "international passenger transport business"?

The term "international passenger transport business," as used here, refers to businesses that offer paid transportation to passengers on demand using international ships or other means of transportation.

○ What are "international ships"?

The term "international ships" as used here, refers to ships and aircrafts (excluding government plane, etc.) used to transport tourists and other passengers between Japan and other countries.

○ What are "domestic business operators"?

The term "domestic business operators," as used here, refers to operators of international passenger transport business that have postal addresses, place of residence, head office or other office/place of business or anything equivalent where such businesses are conducted in Japan.

The above "anything equivalent" refers to places that are equivalent to offices or other business establishments such as a rented building, rented warehouse or hotel room used as a base for business activities. More specifically these are places in which business activities are conducted, irrespective of what they are called.

(2) Place of tax payment

A. Domestic business operators

The place of tax payment for a domestic business operator is:

- (1) The regional tax office where its head or main office is located
- (2) When it does not have a head or main office in Japan but has a place of business or anything equivalent where such businesses are conducted in Japan, then the regional tax office where such business is located.

The place of tax payment may be otherwise designated by the head of the Regional Taxation Bureau or the chief of the National Tax Agency.

B. Overseas business operators

The place of tax payment for an overseas business operator is the regional tax office where the port of International tourists departing from Japan is located. When the operator submits a request to, and obtains approval from, the commissioner of customs, the approved place can be specified as its place of tax payment.

The place of tax payment may be otherwise designated by the commissioner of customs.

3. Administrative procedures for special tax collectors (filing documents, etc.)

(1) Notification form

A. Submission of notification form of the commencement of an international passenger transport business

Operators newly starting an international passenger transport business are required to submit the “Notification of the Commencement of an International Passenger Transport Business” to the tax office if you are a domestic business operator and to the customs if you are an overseas business operator.

Operators already in international passenger transport business on January 7, 2019, the date on which the “International Tourist Tax” is to be introduced, are required to submit the notification by February 28, 2019. (Any operator making their first “International Tourist Tax” payment before February 28, 2019 must submit their notification prior to this date.)

B. Submission of notification form of international tourist tax agent

Overseas business operators are required to appoint a tax agent that can carry out procedures involved in the payment of the “International Tourist Tax” in Japan. “Notification of International Tourist Tax Agent” must be submitted to the customs having jurisdiction over the region of their tax payment before the agent begins working on the necessary paperwork, etc.

○ Examples of notification forms to be submitted by international passenger transport business operators

1. Main notification forms to be submitted to the tax office

| Title of the notification form | When the document needs to be submitted |
|--|--|
| Notification of the commencement of an international passenger transport business | Those with a postal address, etc. in Japan wishing to start an international passenger transport business (or are already in international passenger transport business on January 7, 2019) |
| | An overseas business operator acquires a postal address, etc. in Japan |
| Notification of abolition (or temporary closure) of international passenger transport business | A domestic business operator abolishes, or temporarily closes, its international passenger transport business, or ceases to have a postal address, etc. in Japan |
| Notification of change of address for international passenger transport business | There is a change of address for a domestic business operator in association with its international passenger transport business (The operator shall submit the document to the director of the tax office which has jurisdiction over its former place of tax payment when there is a change of address of place of tax payment.) |

2. Main notification forms to be submitted to the customs

| Title of the notification form | When the document needs to be submitted |
|--|--|
| Notification of the commencement of an international passenger transport business | Those without a postal address, etc. in Japan wishing to start an international passenger transport business (or are already in international passenger transport business on January 7, 2019) |
| | A domestic business operator ceases to have a postal address, etc. in Japan |
| Notification of abolition (or temporary closure) of international passenger transport business | An overseas business operator abolishes, or temporarily closes, its international passenger transport business, or acquires a postal address, etc. in Japan |
| Notification of change of address for international passenger transport business | There is a change of address for an overseas business operator in association with its international passenger transport business |
| Notification of international tourist tax agent | An overseas business operator is already in international passenger transport business on January 7, 2019 |
| | Those without a postal address, etc. in Japan wishing to start an international passenger transport business |

* The term “postal address, etc.,” as used here, includes postal addresses, places of residence, head offices, other offices, places of business or anything equivalent where such businesses are conducted.

(2) How to pay the tax

International passenger transport business operators are required to pay the "International Tourist Tax" collected from international tourists to the appropriate tax office or customs office by the end of the second month after the international tourists' departure by the following methods.

For example, the "International Tourist Tax" collected from international tourists leaving Japan between 1 and 31 March, 2019, shall be paid by May 31, 2019.

A. Domestic business operators

Domestic business operators shall pay the "International Tourist Tax" collected from international tourists to the tax authorities that have jurisdiction over their respective places of tax payment. There are three payment methods: (1), payment over the counter, (2) electronic payment (direct payment, internet banking, etc.) and (3) payment by credit card.

For details, please visit the National Tax Agency website (www.nta.go.jp).

[National Tax Agency homepage > Tax information-procedure-form > procedures for tax payment and certificate of tax payment > procedure for payment of national taxes *Japanese homepage only]

B. Overseas business operators

Overseas business operators shall pay the International Tourist Tax collected from international tourists to the customs that have jurisdiction over their respective places of tax payment. There are two payment methods: (1) payment over the counter and (2) electronic payment (Multi-Payment).

For details, please visit the Japan Customs website (www.customs.go.jp).

[Japan Customs -> Passenger ->International Tourist Tax *Japanese homepage only]

(3) Submission of statements

International passenger transport business operators are required to submit statements that include the following information concerning the "International Tourist Tax" amounts they must pay to the director of the tax office or commissioner of the customs having jurisdiction over the place of tax payment by the due date.

- (1) Address of business or residence of the applicant
- (2) Name of the applicant (person or organization)
- (3) Place of the applicant's tax payment
- (4) The applicant's personal or enterprise identification number (not required for overseas business operator or those without a number)
- (5) Number of passengers
- (6) Number of passengers who are not international tourists
- (7) Number of non-taxable passengers
- (8) Number of exempted passengers
- (9) Number of passengers who are not subject to the International Tourist Tax based on transport contracts concluded before January 7, 2019.
- (10) Number of passengers subject to the "International Tourist Tax" $((5)-((6)+(7)+(8)+(9)))$
- (11) Amount of "International Tourist Tax" payable
- (12) Year and Month of departure from Japan for passengers
- (13) Other relevant information

As regards the items 5–10, information needs to be given separately for different ports of departure.

As of January 7, 2019, domestic business operators can submit statements via e-Tax (Electronic National Tax Return Filing and Payment System), and overseas business operators can submit them via NACCS (Nippon Automated Cargo Clearance System) for more convenience.

e-Tax homepage (www.e-tax.nta.go.jp)

NACCS homepage (www.naccs.jp) *Japanese homepage only

4. Administrative procedures for special tax collectors (bookkeeping, etc.)

(1) Obligation to record passenger information

International passenger transport business operators are obliged to record the following information about passengers in their books. (Information about crew members need not be recorded.)

- (1) Name
- (2) Nationality
- (3) Date of birth
- (4) Passport number
- (5) Name of the international ships or aircrafts which the passenger boarded
- (6) Date of departure from Japan
- (7) Name of the port of departure
- (8) When the passenger is not an international tourists, write down the fact and give the reason.
- (9) When the passenger is not subject (non-taxable case) to the “International Tourist Tax”, write down the fact and specify his/her taxation category.
- (10) When the passenger is exempted from the “International Tourist Tax”, write down the fact.
- (11) When the passenger left Japan based on a contract of carriage concluded before January 7, 2019 and is not subject to the “International Tourist Tax”, write down the fact.

However, note that operators are permitted to omit all or some of the above items in their books if the items are recorded in their passenger lists (documents that contain all the information specified in Article 57-2 of the Immigration Control and Refugee Recognition Act as being required to be reported, or documents that are equivalent to them) and the passenger lists are appropriately organized and stored.

In such case, it is essential to store the passenger lists and books in such a way that the relationship between the passenger lists and books is clearly shown.

* Operators are required to store their books for seven years starting on the day following the final day of the second month after the respective passengers depart from Japan.

(2) Book and record keeping through electronic methods

In principle, a paper copy of books containing information about departures of international tourists from Japan must be maintained. However, when approved by the director of the tax office or the commissioner of the customs having jurisdiction over your place of tax payment (hereinafter referred to as “the appropriate tax authorities”), there is a system that allows you to create books and related documents on a computer and store the data recorded on a hard disk or other storage device. There is no need to maintain a paper copy in such case as long as certain conditions are met.

To use this system, it is necessary to submit an application to the appropriate tax authority at least three months in advance of the date on which you set up your books.

For details, please visit the National Tax Agency website (www.nta.go.jp). *Japanese homepage only

5. When the contract of carriage was concluded before January 7, 2019

In principle, the “International Tourist Tax” is not to be levied on departures based on contract of carriage concluded before January 7, 2019, on which the tax will be introduced.

As an exception, the tax is to be levied on departures based on contract of carriage concluded before January 7, 2019 when any of the following conditions applies:

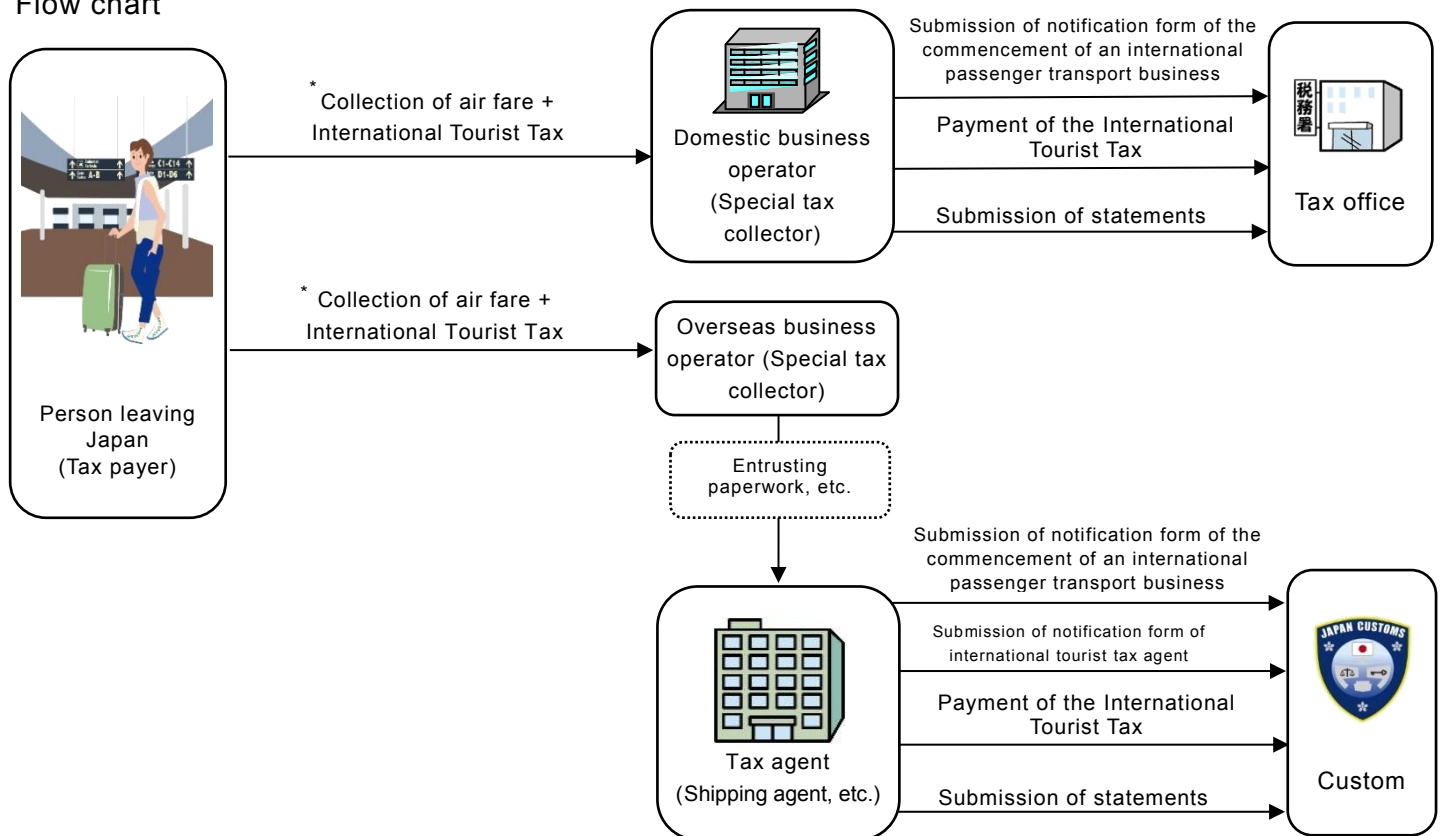
- (1) When the date of departure is not fixed at the time of conclusion of the contract of carriage (for example, issuing of the air ticket) (open ticket, coupon ticket, etc.) and the date of departure is decided after January 7, 2019
- (2) When the date of departure is changed after January 7, 2019
For example, when the air ticket, initially issued (contract of carriage is concluded) for departure on January 10, 2019, is changed on January 8, 2019, to a new departure date of January 11, 2019
- (3) When the contract of carriage stipulates, for example in the terms and conditions section, that the International Tourist Tax is to be collected separately from the fare

Whether the contract is a “contract of carriage concluded before January 7, 2019” depends on the date on which the contract is established between the international tourists and international passenger transport business operator.

As such, please note that the date may be different from the date of the travel contract signed between the international tourists and the travel agency.

○ How the tax is collected

Flow chart



* Cruise lines and airlines (special tax collectors) need to collect the International Tourist Tax from passengers by the time the passengers board their ships or aircrafts, using any method of their choice.

<<Use of the “International Tourist Tax”>>

Revenues from the “International Tourist Tax” will be allocated to the following three areas:

- (1) Create a more comfortable, stress-free tourist environment
- (2) Improve access to information about a wide variety of attractions of Japan
- (3) Develop tourist resources taking advantage of the unique cultural and natural assets of respective regions

<<Contact information concerning the “International Tourist Tax”>>

For domestic business operators

[For general enquiries (e.g. questions about tax office procedures)]

- Visit the National Tax Agency website (www.nta.go.jp)

HOME > National Tax Agency JAPAN > Contact US

> IF YOU NEED FURTHER INFORMATION, PLEASE CONTACT

[For personal enquiries (e.g. questions based on specific facts)]

- Tokyo Regional Taxation Bureau (Tax Section 3, Consumption Tax Division)

5-3-1 Tsukiji Chuo-ku, Tokyo 104-8449

Telephone (switchboard): 03-3542-2111 Extension: 3081 (Please contact in Japanese)

Opening hours: 9:00a.m.–5:00p.m. (Monday–Friday, excluding public holidays)

- Osaka Regional Taxation Bureau (Tax Section 3, Consumption Tax Division)

Osaka Government Building No. 3, 1-5-63 Otemae Chuo-ku Osaka 540-8541

Telephone (switchboard): 06-6941-5331 Extension: 2932 (Please contact in Japanese)

Opening hours: 9:00a.m.–5:00p.m. (Monday–Friday, excluding public holidays)

For overseas business operators

- Contact the closest customs or customs having jurisdiction over your place of tax payment. Contact information about the customs is available on the Japan Customs website (www.customs.go.jp).

For more information about the “International Tourist Tax”, visit the National Tax Agency website (www.nta.go.jp) and read the “Q&A about the International Tourist Tax” section.