



Japan – August 2020

CONTENTS

JAPAN MUST AVOID RISE IN PROPERTY TAX FOR COMMERCIAL LAND.....1

Japan must avoid rise in property tax for commercial land

Japan must avoid any increase in property tax for commercial land as the coronavirus pandemic is hurting many companies, Akira Amari, head of the ruling Liberal Democratic Party’s tax panel, was quoted as saying by the Nikkei newspaper.

Japan will set next year’s property tax, or the tax companies pay for the land they own, based on land prices measured in January.

This has raised concern companies will face a bigger tax burden despite an expected fall in land prices blamed on the pandemic, which has ravaged Japan’s economy since then.

“Companies’ ability to pay tax has fallen, so we must come up with ways to (avoid) forcing them to pay higher tax. Given the pandemic, we need to avoid higher tax as much as we can,” Amari was quoted as saying on the property tax in an interview that ran on Friday.

Amari’s panel advises the government on tax policies and plays a key role in defining how to use tax measures to cushion the economic blow from the pandemic.

Amari dismissed the idea, proposed by some lawmakers, that Japan cut the 10% rate for the sales tax - or the tax consumers pay each time for purchases - to cushion the economic blow from the pandemic.

“It’s a tax that is linked to Japan’s social welfare system,” Amari said of the consumption tax. “It shouldn’t be used as a policy tool (to spur growth),” he was quoted as saying, adding that distributing payouts to households and companies was an easier way to ease the pain from COVID-19.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.