For foreign residents working in Japan

Don't forget to pay resident tax!

What is the resident tax?

The resident tax is a tax that must be paid to the local municipal office for foreigners having a domicile within Japan as of January 1, and earned income that is above a certain amount.The same applies if you leave Japan after January 2.
If the obligatory resident tax payment due is delinquent, the taxpayer may not be able to renew their foreign residency during the period that

- The amount to be paid depends on the income earned from January 1 to December 31 of the previous year.
- There are two methods in paying resident taxes.

Salary Deductions (special collection) A company on behalf of their employees must deduct resident tax from the wages paid to employees to the municipality. This is a general principal for employees who works for a company, and there is no need for the employee to pay the municipal office directly.

Direct payment by individual taxpayer (general collection) Each year around June, a resident will receive a notice (tax payment slip) from the municipality, stating to "Please pay the resident tax."Amount of taxes due on the payment slip should be paid at a financial institution.

Please take precaution of the following!

● When you leave your employer.

If an employee whose resident tax is withheld from their earned income through the special collection provision leaves the employer, the unpaid portion of the resident tax can be arranged to be paid through the general collection method. Another method is for the employer to pay the remainder of the total unpaid resident tax amount due to the municipality by deducting the taxed amount from the employee's earned income and retirement allowance (lump sum collection)

● When leaving Japan

A taxpayer who plans to leave Japan must appoint a resident in Japan (tax agent) who will be responsible for handling tax activities on the employee's behalf, and notify the municipality where the employee lives if unable to pay the resident tax before leaving Japan.

【Ministry of Internal Affairs and Communications Website】 https://www.soumu.go.jp/main_sosiki/jichi_zeisei/czaisei/czaisei_seido/individual-inhabitant-tax.html

【Contact Information】 If you have any questions, please contact your local municipal office.

MIC 総務省 Ministry of Internal Affairs and Communications

Q & A

Want to know more!

about resident tax Q & A



Q1 If a person having a domicile within Japan as of January 1, and earned income during the previous year, does that person have to pay resident tax?

A1 Payment of resident tax is an obligation defined by the law.A resident having a domicile within Japan as of January 1, and earned income during the previous year, in principal, the resident must pay resident taxes.However, depending on income or family situation, the resident may not need to pay resident taxes.

Meanwhile, in order to prevent double taxation from the same salary, etc., Japan has a tax treaty with certain countries. For international students and others who meet certain criteria stipulated in the treaty, the resident tax may not need to be paid. Please consult with the local municipal office for further details.



Q2 How would one know whether to pay resident taxes by using special collection or general collection methods?

A2 Earners who work for a company, in principal, should pay resident taxes under the special collection provision. Each year by May 31st, workers who are subject to special collection will receive a document from their employer titled "Notification of result and changes of the special collection tax notice to income earners for the city (ward, town, village) and prefectural resident taxes."



Q3 What is the procedure to pay off using a lump collection method?

A3 If the employee leaves the employer between June 1 and December 31, the employee needs to choose a payment method for resident taxes after retirement.If choosing to use a lump collection method, inform the company employer the intent and request that any unpaid resident tax to be deducted from the employee's earnings or retirement allowance.

If the employee does not wish to pay using a lump collection method, the general collection will be automatically applied, and will receive an invoice from the municipality. Please pay in accordance to the payment statement. If the employee leaves the company between January 1 and May 31, a lump collection will be automatically charged or a special collection method will be applied.



Q4 What kind of person should manage employee taxes? Also, how does one file an application?

A4 A tax agent manages taxation procedures such as receiving tax notices and making payments on behalf of the taxpayer.

The range of a person who can be designated as a tax agent and range of documents that the agent can submit vary by each municipality, so please contact the employee's local municipal office.

