

Effective Tax rate of the Japanese Personal Income Tax

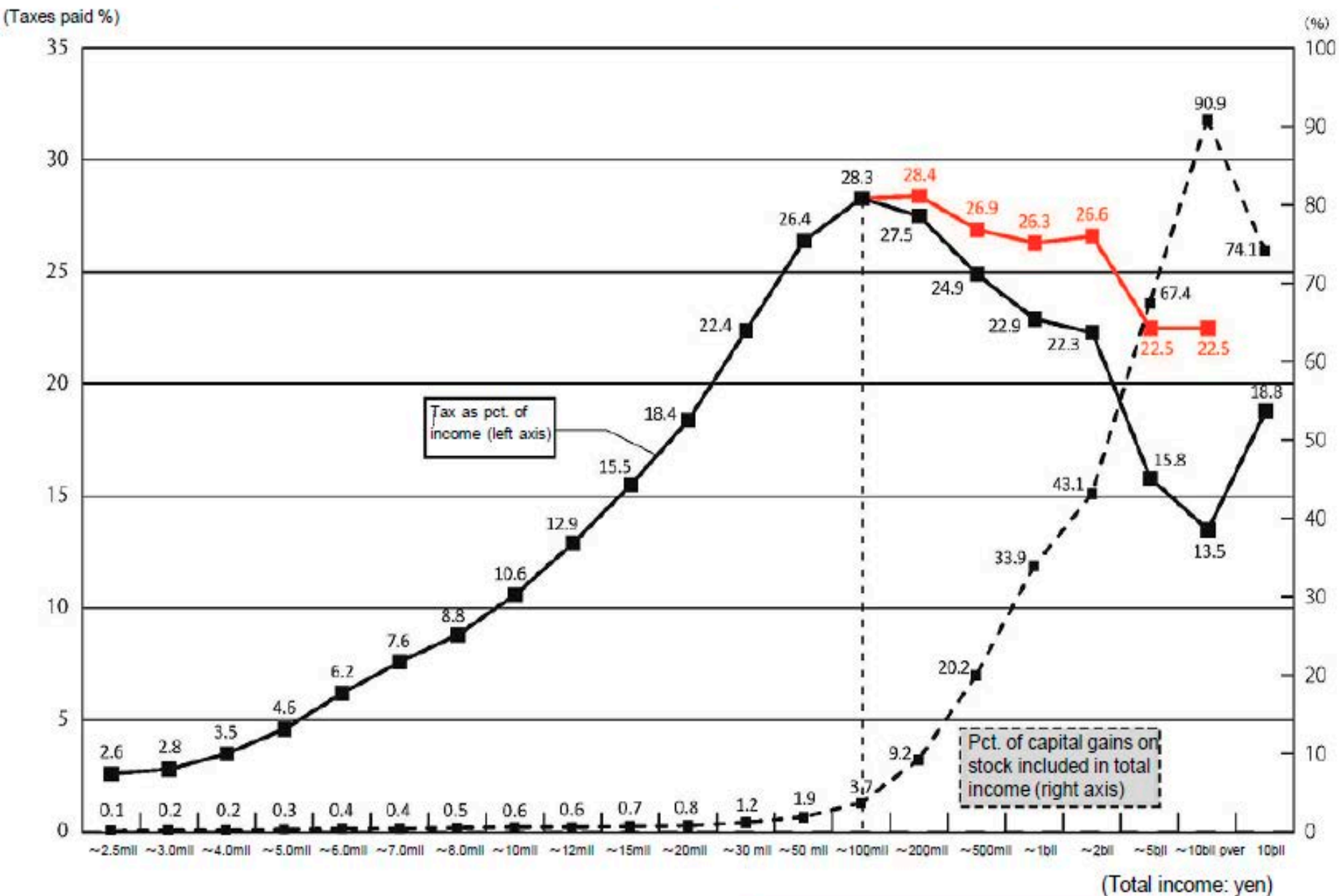
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Dr. Shigeki Morinobu
Professor Chuo Law School

Summary of Integrated Tax System Reform

Income tax	<ul style="list-style-type: none">• The Securities Tax Break was abolished in January 2014 (Financial income tax rate was raised from 10% to 20%)• From January 2015, the income tax rate was raised to 45% on incomes \40million and higher• Cap on employment income deduction is to be lowered as follows: From 2016, employment income deduction is to be lowered from \2.45 million on income of \ 15 million and higher to a deduction of \2.3 million on income of \12 million. From 2017, employment income deduction is to be lowered again to \2.2 million on income of \10 million
Consumption tax	<p>The tax rate was raised to 8% in April 2014. It is scheduled to be raised further to 10% in April 2017</p>
Inheritance tax	<p>From January 2015, the maximum inheritance tax rate was raised to 55% and the formula for calculating inheritance tax rate is to be revised as follows: \50million+\10million X Number of lawful heirs →\30million + \6million X Number of lawful heirs</p>

Taxes Paid as a Percentage of Income (FY2008)



Source: Author based on MOF's data