



# Hello Okaya

Okaya Culture Promotion Group Okaya Int'l Center  
8-1 Saiwaicho Former City Hall 1st Floor 394-0029  
TEL:(0266)24-3226 FAX : (0266)24-3229  
E-mail: oiea@oiea.jp URL: www.oiea.jp  
Fall 2019 edition (英語)

This newsletter is distributed four times a year by the Okaya International Center with the aim of providing foreign residents with information necessary for daily life, as well as insights into Japanese culture. Please feel free to contact us with any questions or feedback you might have.

## The Consumption Sales Tax Will Increase From 8% → 10%

The consumption sales tax rate will be raised to 10% starting October 1, 2019. This will mark a 2% increase from the current 8%. Under the current system, this means that customers pay 108 yen for an item which costs 100 yen. But starting in October, that same item will cost 110 yen. This will certainly make calculating purchases easier, but it greatly changes how much customers will ultimately have to pay at the checkout line.

### Why is the consumption sales tax being raised?

Japan is an aging society where the number of elderly citizens is higher than the number of children being born every year. This shift in society has created an imbalance of workers who pay into social welfare funds and retirees who are eligible to receive said funds. One of the reasons the tax rate is being increased is to help pay for rising social security and medical care costs. Because the consumption tax affects everyone – including the elderly – raising the rate is seen as a fair method which will not overburden the current generation.

### This year's tax hike, however, will not affect all goods in Japan.

Some products will be eligible for a reduced tax rate of 8% (remain unchanged) and will not be subject to the new 10% tax hike. So, when can you still expect an 8% tax rate and when will you have to pay a 10% consumption tax?

8%

#### ★Takeout

- Processed Foods

In principle, food, beverages, and newspapers will be taxed at 8%



10%

#### ★Dining Services

Restaurants, daily necessities, and alcohol will be taxed at 10%



# Some Useful Points About the Consumption Tax

## ① Reduced Tax Rate

As the name suggests, a reduced tax rate is a lowered consumption tax rate for specific items. Although most products will be subject to the 10% tax hike starting October 2019, food and beverages (except for alcohol and restaurant dining services), as well as subscribed newspapers published twice a week or more will be covered by the 8% tax rate.

It will be important to keep these points in mind when determining which products are taxed at 8%, and which are taxed at 10%. Be especially mindful when eating out, as two separate tax rates will be implemented; takeout orders will be taxed 8%, but customers will be taxed 10% for dining in at a restaurant. There will no doubt be some confusion between restaurants and customers when the tax hike first goes into effect, so please be patient as everyone adjusts.

### **【Why is a reduced tax rate necessary?】**

The consumption sales tax is a tax which is applied to everyone and has no relation to one's income. There is, however, a risk that high-income earners and low-income earners will be affected differently. In order to avoid this, the reduced tax rate will be applied to items which are used by a wide range of customers in their daily lives to reduce any potential consumption tax burden.

## ② Transitional Measures

Transitional measures are rules which are put into place in order to eliminate tax gaps. Since this gets a little complicated, let's examine how these measures will work by using an example. Imagine that you have pre-ordered some tickets from a movie theatre.

**Ex) Pre-ordered tickets from a movie theatre**    **Date of Purchase: September 30, 2019**

**Date of Use: October 1, 2019**

Let's say you have purchased these tickets on September 30, when the tax rate is still 8%, but you use them on October 1, when the tax rate is 10%. Even though you as a consumer are using the tickets in October after the tax hike, you only have to pay an 8% tax because you purchased them in September (to prevent further confusion within businesses, 8% transitional measures will be provided for certain purchases under the new tax law). 【Please confirm the policy of each establishment as some may implement different rules.】

⇒ Do we have to rush to buy items before the consumption tax rate is raised from 8% ⇒ 10%?

Try to think about which items you would like to purchase before the tax hike and which items you don't have to buy immediately.

8% (Reduced Tax Rate)



10% (New Tax Rate)



**If anything, remember this!**

- ★ One item you're likely to fret over is Mirin. Even though it has a low alcohol percentage, Mirin will still be grouped with other alcoholic beverages and be subject to the 10% tax.
- ★ Daily necessities, excluding food and non-alcoholic beverages, will be taxed at 10%. For example, newspapers will be taxed at 8% while toilet paper will be 10% even though they are both paper products. Laundry detergent and shampoo will also be taxed at 10%.
- ★ Drinkable bottled water will be taxed at 8%, but tap water used for laundry and bathing will be subject to the 10% tax rate.
- ★ Medicine (both over the counter and prescription) will be taxed 10%, but health foods and supplements will be taxed 8%. For example, nutritional drinks like Oronamin C will still be taxed 8%, but quasi-drugs like Lipovitan D and Alinamin V will be taxed at 10%.
- ★ In principle, eating and drinking at establishments with tables and chairs will be subject to the 10% tax rate. However, there may be some cases where takeout and home deliveries are taxed 8%.
- ★ When ordering a set meal at a fast food restaurant, drinking your beverage before leaving the restaurant with your uneaten food could be regarded as "dining in," at which point you will be taxed 10% for your purchase.
- ★ Popcorn and other refreshments eaten at your seat in a movie theater or stadium event will be taxed at 8%. However, ordering from the menu in a VIP room in the same situation will be subject to the 10% tax rate.
- ★ Food and beverages provided in karaoke boxes will be subject to the same rules as other dining establishments and be taxed at 10%.
- ★ Meals provided in schools and nursing care facilities are exceptions to the new tax hike and will be taxed 8% even if tables and chairs are provided.
- ★ You will be taxed 8% if you receive newspapers via a subscription, but you will be taxed 10% for reading the digital edition or purchasing the same newspaper at a store.

# Autumn Leaf Viewing

In Autumn, the many trees of Japan change their colors, dyeing the landscape a series of beautiful shades of red and yellow. This is called *kōyō* (紅葉/こうよう) or “autumn leaves” in Japanese. People throughout Japan visit mountain areas to see the autumn leaves changing color. Just as viewing the cherry blossoms in spring is known as *o-hanami* (お花見/おはなみ), going to see autumn leaves in fall is called *momiji-gari* (紅葉狩り/もみじがり)

Izuhaya Park in Okaya is well-known for its beautiful autumn leaves. Together with the park’s maple trees, 240 different types of plant species let you experience autumn to the fullest as they turn red, yellow, and orange. Seeing the beautiful foliage shining in the sunlight is truly a magnificent view.

Izuhaya Park is holding its annual **Momiji-gari Festival** from **Thursday, October 24 ~ Wednesday, November 6**. You can even enjoy the festival at night when the leaves are illuminated. We hope you can take part in this year’s festivities.

Access : <https://goo.gl/maps/iqPgAuaGxc9R5Md9>

## Company Services for Foreigners ~Introduction Corner~

### ~Nagano International Culture College~

We are a Japanese Language School located in Suwa City. For 30 years we have been committed to helping students from more than 20 countries study abroad in Japan, as well as aid local foreign residents with their Japanese studies. Students can study Japanese starting at any level; our classes are tailored to the individual’s abilities and cover everything from basic everyday Japanese to preparation for graduation and higher education.

#### For Foreign Residents Already Living in Japan

We have courses for those who want to do things like improve their Japanese communication skills, use more Japanese in the workplace, enter a Japanese university or vocational school, and be able to read their child’s school notices

We are able to issue an Acceptance Letter (入学許可書/*nyūgaku kyokasho*) to persons with Permanent Resident and Dependent Visas

#### For Company Workers

We are here to help foreign intra-company transferees and technical trainees with their Japanese studies

Classes are conducted only on weekdays using an A.M. or P.M. schedule

A.M. : 8:20 ~ 12:10      P.M. : 1:10 ~ 5:00

A school bus is available to transport students from Kamisuwa Station



#### Contact Information:

TEL : 0266-53-8155      Mail : [info@nicc-nagano.jp](mailto:info@nicc-nagano.jp)      HP : [www.nicc-nagano.jp](http://www.nicc-nagano.jp)