

Outline of Real Estate Acquisition Tax

1. What is Real Estate Acquisition Tax?

This is a prefectural tax which is imposed when real estate is acquired^{*1}, such as when purchasing real estate (land or residential buildings) or when constructing a residential building.

*1. What is meant by the acquisition of real estate?

This is defined as the case where the proprietary rights to a piece of real estate have been acquired, regardless of whether or not the property was registered, whether it was a paid or gratuitous acquisition, and regardless of the acquisition reason (such as purchase, gift, exchange, donation, new construction, extension and remodeling).

2. Method of Calculating the Tax Amount

Assessed value of real estate^{*2} (Standard taxable value) x **Tax rate** = **Tax amount**

*2. What is meant by the assessed value of real estate?

In principle, this is defined as the assessed value that is registered in the fixed assets tax ledger of the municipality when the real estate was acquired (known as the fixed asset assessed value).

(It does not mean the value such as the purchase price or construction work costs.)

Deduction 1

Special measure relating to housing land

Regarding the acquisition of housing land, etc. that has been acquired up till March 31, 2024, the assessed value (standard taxable value) of the real estate will be the **assessed value x 1/2**.

Tax rate: The tax rates in the following table are applied.

Date of Acquisition	Land	Building	
		Residence	Non-residence
From April 1, 2008 to March 31, 2024	3%	3%	4%

* Residences also include affiliated buildings (such as garages and storerooms) which have been built on the same premises as the residence and perform functions as part of the residence.

◆The tax is not imposed in the following cases◆

[Tax exemption limit]

When the assessed value of the acquired real estate is as follows, the Real Estate Acquisition Tax is not imposed.

Land (Regarding land that is applicable to the special measure relating to housing land (See **Deduction 1** on Page 1), the assessed value will be the value after the measure application.) Less than ¥100,000

Residential building - Acquired by construction (New construction, extension and remodeling)

- Less than ¥230,000 per building
- Acquired by purchase, gift, exchange, etc. Less than ¥120,000 per building

However, in each of the following cases, the first and the subsequent acquisitions are combined and considered to be one acquisition in deciding whether the assessed value of the real estate reaches the tax exemption limit.

- In a case where a person who had acquired land also obtained adjacent land within one year from the date of the acquisition.
- In a case where a person who had acquired a residential building also obtained a building that is considered part of the former building within one year from the date of the acquisition.

3. Measures to Reduce the Tax Burden on Residential Buildings and Residential Land

■ Special Deductions relating to the Acquisition of Residential Buildings

(Assessed value of real estate – **Deduction**) x Tax rate (Residential buildings: 3%) = Tax amount
(See *2 on Page 1)

(1) Newly-built residential buildings

[Requirements] When the total floor area of the residential building is 50 m² or greater up to 240 m², a fixed amount is deducted from the assessed value of the residential building. (Regarding rental apartment houses, there is a requirement that the independent sections are 40 m² or greater up to 240 m².)

[Deduction] ¥12,000,000

(2) Used residential buildings

[Requirements] Providing that all the following requirements 1), 2) and 3) are applicable, a fixed amount is deducted from the assessed value of the residential building.

Requirement	Details
1) Residential requirement	Property must have been acquired by an individual, who is using it as their residence.
2) Total floor area requirement	Total floor area must be 50 m ² or larger up to 240 m ² .
3) Earthquake-proofing standard requirements	A building newly built on or after January 1, 1982 Otherwise, a building that was newly built before December 31, 1981 which has been certified as complying with the new earthquake-proofing standards. (The inspection for certification must have been completed within two years before the date of acquisition.)

[Deduction]

Date of Construction	Deduction
April 1, 1997 or later	¥12,000,000
April 1, 1989 to March 31, 1997	¥10,000,000
July 1, 1985 to March 31, 1989	¥4,500,000
January 1, 1982 to June 30, 1985	¥4,200,000
Up to December 31, 1981	Please contact a Taxation Office of Nara Prefecture.

■ Reduction for Residential Land Acquisition

When acquiring residential buildings and their premises that are subject to the “Special Deductions relating to the Acquisition of Residential Buildings”, a fixed amount is deducted from the tax payment for the land if any of the following requirements are applicable.

Assessed value of real estate x Tax rate – **Reduction** = Tax amount

(See *2 on Page 1)

(Application of **Deduction 1** on Page 1)

[Requirements]

1. Land for new residential buildings (Cases satisfying requirement 3 (1) on Page 1)	
Case where the land was acquired before newly constructing a residential building.	When the residential building has been newly constructed on the land within three years from the date when the residential land was acquired, and either of the following requirements 1) or 2) applies. 1) Case where the residential land was continually owned from the time when the land was acquired until the residential building was newly constructed. (In this case, it does not matter who newly constructs the residential building.) 2) Case where the person who acquired the residential land transferred the land, and the person who directly acquired the transferred land newly constructed the residential building.
Case where the land was acquired after the residential	When a newly constructed unused residential building and its premises have been acquired within one year from the completion of the new residential building construction.

building was newly constructed.

2. Land for used residential buildings (Cases satisfying requirements 3 (2) 1) to 3) on Page 2)

Case where the person acquiring the land has acquired a used residential building on the land within one year before acquiring the land or within one year after acquiring the land.

[Reduction] The amount is reduced by the amounts in (A) or (B), whichever is larger.

(A) ¥45,000

(B) Assessed value of land per 1 m² (Note) x Twice the total floor area of a residential building
(Up to a limit of 200 m²) x Tax rate 3%

Note: Regarding land for which the special measure relating to housing land (See **Deduction 1** on Page 1) is applicable, the assessed value will be the value after applying the special measure.

4. Documents Required to Receive Reductions, etc.

Applications are required in order to receive reduction measures. Please apply to a Taxation Office of Nara Prefecture after preparing the documents in the following table.

Application Item \ Attached Documents	Certificate of residential building registered items (Duplicate is also permitted)	Sales contract when purchasing the land (Copy)	Sales contract when purchasing the building (Copy)	Certificate of residence	Application form (*7)
Reduction for newly constructed residential building premises (including refunds) *3	○ *4	○			○
Reduction for used residential building and its premises (including refunds) *5	○	○	○	○ *6	○

*3: In the case where land has been sold and the person who purchased the land has newly constructed a residential building, the sales contract (copy) when selling the land is required.

*4: There are cases where the submission of the certificate of residential building registered items may be omitted, depending on the certificate of inspection (Copy) according to the Building Standards Act.

*5: In the case where a used residential building has been acquired, certification that the building conforms to the new earthquake-proofing standards is required when the said residential building was newly constructed before December 31, 1981.

*6: This may be omitted if it is possible to confirm that the individual is using the residential building as their residence from the certificate of residential building registered items.

*7: Application forms can be downloaded from the following websites of each of the Taxation Offices of Nara Prefecture.

(1) Nara Taxation Office of Nara Prefecture (Jurisdiction areas: Nara City, Yamatokoriyama City, Tenri City, Ikoma City, Yamabe District, Ikoma District) Website (<http://www.pref.nara.jp/12300.htm>)

(2) Chunanwa Taxation Office of Nara Prefecture (Jurisdiction areas: Yamatotakada City, Kashihara City, Sakurai City, Gojo City, Gose City, Kashiba City, Katsuragi City, Uda City, Shiki District, Uda District, Takaichi District, Kitakatsuragi District, Yoshino District) Website (<http://www.pref.nara.jp/38350.htm>)

5. Tax Payment Period and Payment Methods

Please pay the tax described in the Tax Notice that is sent from the Taxation Office of Nara Prefecture within the tax payment deadline.

OPayment location: It is necessary to pay the tax in Japan.

1) Your nearest financial institution (Described on the rear side of the Tax Notice/Statement of Payment)

2) Each Taxation Office of Nara Prefecture (excluding the Takada and Yoshino Service Centers)

3) Convenience stores (Described on the rear side of the Tax Notice/Statement of Payment)

However, this is limited to payments where the amount of tax to be paid is up to ¥300,000.

4)  Payment of tax from a PC, mobile phone or ATM

- Tax Notices/Statements of Payment which incorporate the Pay-easy mark can be utilized for tax payment using internet banking and mobile banking, and the ATMs of financial institutions.

- Tax payment using a PC or mobile phone

Persons who are already using internet banking or mobile banking services of financial institutions can make the payments by selecting "Pay-easy" from the service menu. Persons newly intending to utilize internet banking or mobile banking are required to apply to a financial institution which allows utilization of Pay-easy. For more details, please inquire at the financial institution.

For more details about Pay-easy, please refer to the website described below.

Pay-easy website (<https://www.pay-easy.jp/>)

* Note that a receipt will not be issued in the case where tax payment is made utilizing Pay-easy.

5) Tax payment using a smartphone payment application

The smartphone applications described below can read the barcodes which are provided for convenience store payment and can make the payments. (These applications cannot be utilized when making payments at convenience stores.) However, this is limited to payments where the amount of tax to be paid is up to ¥300,000. Please confirm the methods of using the smartphone applications from the website of each application provider.

- PayB - PayPay - LINE Pay

* Note that a receipt will not be issued in the case where tax payment is made utilizing a smartphone application.

Important!

Please be sure to pay your taxes within the payment deadline described in the Tax Notice.

- If prefectural taxes are paid after the payment deadline has passed, a delinquent charge is imposed.
- The delinquent charge is assessed in order to maintain fairness with taxpayers who have paid their taxes within the payment deadline.
- The delinquent charge is assessed as a legally defined proportional amount according to the number of days from the day following the payment deadline until the date when the tax amount has been fully paid.
- In the case where a delinquent charge has been imposed, a Statement of Payment will be sent at a later date, so please pay the tax at that time. (It is not possible to correct or revise the amount in the column shown in the Tax Notice/Statement of Payment.)
- If there is an insufficiency in the payment of the delinquent charge, you will not be able to receive issue of the certificate of tax payment.

7. Contacts for More Information

Office Name	Phone Number	Address	Jurisdiction Area
Nara Taxation Office of Nara Prefecture	0742(20)4534 (Real Estate Acquisition Tax Subsection, Taxation Section 1)	757 Horen-cho, Nara-shi, Nara Prefecture 630-8113 Inside Nara Prefectural General Office	Nara City, Yamatokoriyama City, Tenri City, Ikoma City, Yamabe District, Ikoma District
Chunanwa Taxation Office of Nara Prefecture	0744(48)3001 (Real Estate Acquisition Tax Subsection, Taxation Section 1)	605-5 Tokiwa-cho, Kashihara-shi, Nara Prefecture 634-8506 Inside Kashihara Branch Office	Yamatotakada City, Kashihara City, Sakurai City, Gojo City, Gose City, Kashiba City, Katsuragi City, Uda City, Shiki District, Uda District, Takaichi District, Kitakatsuragi District, Yoshino District

□□ Nara Prefecture □□

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