

Japanese Performance Tax / Japanese Withholding Tax

This tax is levied on foreign performers earning money in Japan. This tax is a flat percentage of gross income. Each performer (group) must file a tax return in Japan. Filing of the tax return is handled in two methods.

The first is a simple EZ form with limited deductions. Creative Man will file this tax return on your behalf.

The second method requires a Japanese CPA to file a long form version with multiple deductions. In most cases it is not cost effective, as the cost of the accountant exceeds the difference in tax.

Groups based in Germany with German corporations are subjects to a 15% tax rate. All other groups are subject to 20% tax rate. For German corporations in Germany to qualify for the lower tax rate, the corporation must not be owned by the performing members of the group. Additionally a tax form must be signed prior to the tour dates by a officer of the corporation, stating they are a German corporation, which qualifies for the lower rate. Several of these forms are audited by the Japanese government each year.

Using the EZ form there are two standard deductions. Airfare and Freight. Each of these deductions must have an accompanying original invoice, wire transfer payment debit and line item on the performance contract. The original invoice must be made out to Creative Man Productions, with the Tokyo office address. No other addresses or payees are acceptable. Costs of these two items are then reduced from the gross to the total of the net tax base, which should be reflected in the contract. Limitations of deductions amounts are reflected by a percentage of the fee. For most cases we ask to be kept under 50% of total guarantee amount.

An original invoice is a printed document on invoice style paper. Preferably not from a laser printer. When a laser printer is the only option, preprinted company letterhead should be used, and must be signed by the issuer of the invoice. Fax, copied, or e-mailed invoices are not acceptable. The invoice must be addressed to Creative Man Productions, with the companies Tokyo address.

Direct wire payments from Creative Man must be made to the travel agent and freight company which match to the cent the amount of the invoice.

Tax certificates can be requested from Creative Man, which shows the amount of tax paid to the government your domestic tax purposes.

Merchandise Tax

Merchandise is also subject to sales tax. Creative Man requires for the artist that a certified product merchandiser in Japan is used for import purposes. The custom services works with the tax board to insure that tax is paid on the merchandise that is imported. The merchandiser is then required to collect and pay sales tax on merchandise sold in Japan.

Merchandise which is shipped directly to Creative Man will not be accepted. Creative Man will not be responsible for the tax liability of imported merchandise.

If you do not know a Japanese merchandise company please ask us for recommendations.