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\* Annex 2 Fiscal Benefits of Donors

Outline of Tax Treatment of Donors of Charitable Contributions  
寄附金の税制上の取扱い(支払者)の概要

Recipient \ Payer	Individual Donors (Income Tax) 個人の支払ったもの	Corporate Donors (Corporation Tax) 法人の支払ったもの
(1) Donations to national and local governments 国又は地方公共団体に対する寄附金		
(2) Designated donations ( <i>Sitei Kifukin</i> ) -Donations paid to projects carried out by Public Interest Corporations (PIC) that were designated by the Minister of Finance as projects meeting qualifying requirements. 指定寄附金 (公益法人等が行う事業のうち、財務大臣が指定した事業に対する寄附金)	The total amount of donations paid in a calendar year exceeding ¥10,000 is deductible (up to 25%* of taxable income of the taxable year).	Fully deductible
(3) Specific accredited PIC ( <i>Tokuteikouekizousinhoujin</i> ) -Donations paid to Public Corporations and Public Interest Corporations that are accredited by competent ministries or governors as corporations meeting qualifying requirements. 特定公益増進法人(公益法人等のうち主務大臣等が認定した法人等に対する寄附金)	* The FY2005 tax reform, if enacted, will increase the rate to 30%.	In addition to the limitation for general donations ((5) below), up to the amount described below is deductible.  [[Amount of capital x 0.0025) + (Amount of income x 0.025)] x 0.5
(4) Donations to accredited NPOs -Donations paid to NGOs that are accredited by the Commissioner of the National Tax Agency as meeting qualifying requirements. 認定 NPO 法人(国税庁長官が認定)に対する寄附金		[[Amount of capital x 0.0025) + (Amount of income x 0.025)] x 0.5
(5) Other donations (Donations other than (1) to (4) above) その他(1-4 以外)	Not deductible	[[Amount of capital x 0.0025) + (Amount of income x 0.025)] x 0.5

Notes:

- Scope of Public Interest Corporations: Corporations listed in Schedule 2 of the Corporation Tax Law, i.e. Corporations established under Article 34 of the Civil Code, educational corporations, social welfare corporations, religious corporations and others (such as special public corporations). 公益法人等とは、法人税法別表2に掲げられている法人。民法34条法人、学校法人、社会福祉法人、宗教法人など。
- Scope of Public Corporations: Corporations listed in Schedule 1 of the Corporation Tax Law. 公益法人等とは、法人税法別表1に掲げられている法人。
- For example, the Japan Red Cross Society (a Public Interest Corporation) is a Specific PIC. 例えば、日本赤十字社(公益法人等)は特定公益増進法人。

Table 5.1 Categories of non-profit legal entities in Japan

Entity	Governing law (date)	Purpose of the entity	Central permitting body	Permitting standard	Number of existing entities
Association <i>shadan hōjin</i>	Civil Code, Article 34 (1897)	Associations with the objective of worship, religion, charity, education, arts and crafts, and other activities for public interest, and not for profit	Competent government agency	Permission <i>kyōka</i>	11 867
Foundation <i>zaidan hōjin</i>	Civil Code, Article 34 (1897)	Foundations with the objective of worship, religion, charity, education, arts and crafts, and other activities for public interest, and not for profit	Competent government agency	Permission <i>kyōka</i>	12 814
Social welfare corporation <i>shakai fukushi hōjin</i>	Social welfare business Law, Article 22 (1951)	Corporations established under the law with the objective of social welfare businesses	Ministry of Health and Welfare	Approval <i>ninka</i>	13 307
Educational Corporation	Private School Law, Article 3 (1949)	Corporations established under the law for the purpose of establishing a private school	Minister of Education	Approval <i>ninka</i>	11 765
Religious Corporation <i>shūkyō hōjin</i>	Religious Corporation Law, Article 4 (1951)	Corporations having the purpose of evangelizing, conducting religious rites, and educating and nurturing believers	Minister of Education	Certification <i>ninshō</i>	183 894
Medical Corporation	Medical Law, Article 39 (1950)	Associations or foundations whose objectives are to establish a hospital or clinic where doctors and dentists are regularly in attendance, or a facility for the health and welfare for the elderly	Ministry of Health and Welfare	Approval <i>ninka</i>	14 048
Public Charitable Trust	Trust Law, Article 66 (1923 - applied 1977)	Trusts with the objectives of worship, religion, charity, education, arts and crafts, and other purposes in the public interest	Minister of competent government agency	Permission <i>kyōka</i>	433
Approved community-based organization	Local Autonomy Law 260 (2) (1991)	Organizations formed by residents of a community	Mayor or town or village headperson	Notification <i>todokede</i>	841
Special non-profit activities legal person <i>NPO hōjin</i>	Special Non-profit Activities Promotion Law (1998)	Non-profit entities whose activities include those in promotion of health, welfare, education, community development, arts, culture, sports, disaster relief, international cooperation, administration of organizations engaging in these activities, etc. (11 examples)	Economic Planning Agency	Certification <i>ninshō</i>	1 012

Source: Pekkanen, 2000c

\*Annex 1 Fiscal Benefits of Organizations

Outline of Taxation of Public Interest Corporations, NPOs, Intermediary Corporations and Limited Companies (main points)  
非営利法人等の主な課税の取扱い

Types of corporations 項目		Public Interest Corporations 社団法人・財団法人 (公益法人)	Not-for-Profit Organizations 特定非営利活動法人 (NPO 法人)		Reference (参考)	
			Accredited NPOs <sup>1</sup> 認定 NPOs	Others	Intermediary Corporations 中間法人 <sup>2</sup>	Limited Companies (株式会社)
Legal status 法人格の付与	Basis 根拠法	Civil Code 民法	Law to Promote Specified Nonprofit Activities (introduced in 1998) 特定非営利活動促進法		Intermediate Corporation Law (introduced in 2002) 中間法人法	Commercial Code 商法
	Procedure 手続	Authorized by competent ministries or prefectures governors 主務官庁が許可	Accredited by the governor of the relevant prefecture or by the prime minister by application 知事または総理大臣が認証		Incorporation by meeting requirements of law (registration is needed) 準則主義(登記が必要)	
Scope of Taxation (Corporation Tax) 課税対象		Income from profit making activities is taxed. (33 activities are designated by law) 収益事業 (33 業種) により生じた所得に限り課税			Any income すべての所得に対して課税	
Receipts of Donations 寄附金収入		Exempt 非課税			Taxed 課税	
Interest, Dividends, Capital Gain 利子、配当、譲渡益		Returns on funds generated from profit making activities are taxed. (33 activities are designated by law) 収益事業 (33 業種) により生じた資金の投資に限り課税 <sup>3</sup>			n.a.	
Tax rate (national) 法人税率		22% (*)	(*)	22% (30% for income exceeding 8 million yen)	30% <sup>4</sup>	

(\*) If Public Interest Corporations or Accredited NPOs transfer funds generated from profit-making activities to accounts of activities other than profit-making activities ('deemed donation'), the amount of such funds can be deducted up to 20% of the taxable income of profit-making activities. Thus, the effective rates on profit-making activities are 17.6% (up to 8 million yen). 公益法人及び認定 NPO 法人が、収益事業部門から非収益事業部門に資産の振替 (みなし寄附) を行った場合、収益事業所得の 20%まで控除できる。この結果、実質的な税負担は 17.6%となる(800 万円まで)。

<sup>1</sup> Accredited by the NTA Commissioner by application. 申請により国税庁長官が認定

<sup>2</sup> For example, alumni associations. (例：同窓会)

<sup>3</sup> Public Interest Corporations are exempt from withholding tax (income tax) on interest and dividends. 公益法人は、受取利子・配当に対する源泉所得税も非課税。

<sup>4</sup> For SMEs (capital ¥100M or less), 22% up to 8 million yen of income. 資本金 1 億円以下の法人は所得 800 万円まで 22%

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			Accredited NPOs <sup>1</sup> 認定 NPOs	Others	Intermediary Corporations 中間法人 <sup>2</sup>	Limited Companies (株式会社)
Legal status 法人格の付与	Basis 根拠法	Civil Code 民法	Law to Promote Specified Nonprofit Activities (introduced in 1998) 特定非営利活動促進法		Intermediate Corporation Law (introduced in 2002) 中間法人法	Commercial Code 商法
	Procedure 手続	Authorized by competent ministries or prefectures governors 主務官庁が許可	Accredited by the governor of the relevant prefecture or by the prime minister by application 知事または総理大臣が認証		Incorporation by meeting requirements of law (registration is needed) 準則主義(登記が必要)	
Scope of Taxation (Corporation Tax) 課税対象		Income from profit making activities is taxed. (33 activities are designated by law) 収益事業 (33 業種) により生じた所得に限り課税			Any income すべての所得に対して課税	
Receipts of Donations 寄附金収入		Exempt 非課税			Taxed 課税	
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Tax rate (national) 法人税率		22% (*)	(*)	22% (30% for income exceeding 8 million yen)		30% <sup>4</sup>

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## ANNEX 3

## Donations Paid by Corporations and Individuals

## Donations Paid By Corporations 法人の寄附金

	FY2000 平成12年度	FY2001 平成13年度	FY2002 平成14年度
1. The amount of donations paid to governments and the amount of designated donations (国・地方公共団体への寄附金及び指定寄附金等)	¥69.9	¥83.5	(¥Billion) ¥107.1
2. The amount of donations to Specific Public Interest Corporations (特定公益増進法人への寄附金)	¥72.6	¥76.6	¥66.9
3. Other donations (一般の寄附金)	¥327.6	¥318.4	¥335.2
4. Total amount of donations paid - including the amount of donations not deductible for tax purposes (1) + (2) + (3)	¥470.1	¥478.5	¥509.2

(Source) NTA 「会社基本調査結果報告」(国税庁)による。

## Deduction for Donations paid by Individuals filing returns 申告書を提出した個人の寄付金

区分	平成12年分	平成13年分	平成14年分
1. The number of tax returns (1000) 申告納税者数(千人)	7,270	7,080	6,870
2. The number of tax returns with deduction for donations (1000) 適用者数(千人)	112	119	126
3. Total amount of deduction for donations (¥ billion) 寄付金控除額 (10億円)	¥31.0	¥25.2	¥22.0
4. Per capita (¥1000) 1人当たりの寄付金 (3)/(2)(千円)	¥280	¥210	¥170

(Source) NTA (備考) 資料は、「申告所得税の実態」(国税庁)による。ただし、平成14年分の計数は税務統計速報による。