Tax Deduction for Donations

TRACOS is certified as an NPO (*Nintei NPO*) by Tokyo Metropolitan Government from 25th September 2018, therefore donations to TRACOS are tax deductible as described below. Receipts issued by TRACOS are necessary when donors claim a tax deduction (*Kakutei Shinkoku*) at local tax offices.

Approx. 50% of your donation is deducted from your taxes

Individuals who donate to nonprofits will receive a tax credit for up to 50% of their donation.

(Total amount of specified donations in the year - ¥2,000) * 40% = amount of tax deduction from income tax

(Total amount of specified donations in the year - ¥2,000) * 10% = amount of tax deduction from residence tax

● **Special exemption for donation to certified NPOs (tax deductions)**

Ex. When you make a 10,000 yen donation	Ex. When you make a 50,000 yen donation
Income Tax (National Tax) **(¥10,000 - ¥2,000) × 0.4 = ¥3,200** **+** **Residence Tax (Local Tax)** **(¥10,000 - ¥2,000) × 0.1 = ¥800** **=** **¥4,000**	**Income Tax (National Tax)** **(¥50,000 - ¥2,000) × 0.4 = ¥19,200** **+** **Residence Tax (Local Tax)** **(¥50,000 - ¥2,000) × 0.1 = ¥4,800** **=** **¥24,000**

You can get a tax refund when you file your tax return

Note:
Donations are tax deductible from residence taxes, metropolitan/prefectural residence tax (4%) and ward/municipal residence tax (6%), depending on your local authorities. Please contact your local authority office for details.

The total amount of deductible donations must be under 40% of your total income, and your special exemption for donations to certified NPOs should be up to 25% of your income tax.

Income deduction could be more beneficial, depending on your income. For more details, please refer to the National Tax Agency's guidelines, or contact your local tax office.

For donations made by companies, an additional threshold is given for the maximum deductible amount to be treated as loss. For more details about corporate tax deductions, please refer to National Tax Agency's guideline, or contact your local tax office.

When filing for tax deductions, receipt(s) issued by TRACOS are required. TRACOS sends receipts by post at the end of year. If you need receipts immediately after donating, please contact us.

Donations for the betterment of society

NPOs that satisfy selection criteria receive certification (or provisional certification) and are called certified NPO (*Nintei NPO/Kari Nintei NPO*). Donations to certified NPOs are tax-deductible. This tax-deduction also provides us, NPOs, with an advantage that we can raise funds to support social activities from citizens and corporations with less difficulty. This will eventally encourage development in Japan's NPO sector.

Another advantage of tax-deduction is that when you claim a deduction for charitable contributions, this means you are choosing how your taxes are spent. You can subjectively determine whether you leave solutions to society's problems to the government/the administration, or to organizations (NPOs) by claiming a deduction for your donation.

認定特定非営利活動法人
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