

GHQ/SCAP Records (RG 331, National Archives and Records Service)

Description of contents

- (1) Box no. 2897
- (2) Folder title/number: (14)
010: Taxes
- (3) Date: Sept. 1947 - Dec. 1948

(4) Subject:

Classification	Type of record
9530	a , c , e

- (5) Item description and comment:
 - i) Kinki Region
 - ii) Includes Contents List

(6) Reproduction: Yes No

(7) Film no.

Sheet no.

(Compiled by *National Diet Library*)

FILE NO.

012

Subject	From	To	Date
grams for Public Purpose High Taxes Now Required on Non-profit Pro-	KMGT	I Corps	25 Sep 47
Employees Withholding Exemption Certificate	8th Army	KMGR	10 Nov 47
Income Tax Returns	KMGR	8th Army	12 Dec 47
"	"	KMGR	14 Jan 48
Income Tax Assistance	KMGR	I Corps	21 Feb 48
Tax Collections	"	KMGR Z/R	27 Feb 48
Transmittal of Income Tax Forms	"	OMG	28 Feb 48
Transmittal of Income Tax Forms	"	KMGT	"
"	"	HMG	"
"	"	HMG	"
"	"	SMG	2 Mar 48
"	"	WMG	"
Transmittal of Kamishibai on Tax Collection als	"	KMGR Z/R	5 Mar 48
Applicability of Taxes to Non-Japanese Nation-	HMG	I Corps	11 Mar 48
Tax Exemption for Parent-Teacher Association	OMG	SCAP	10 Mar 48
Sabotage of the Tax Collection Program	KMGT	KMGR HMG & FMG	19 Mar 48
Interim Tax Reports	KMGR	OMG, KMGT,	22 Mar 48
Inefficiency of Tax Officials at Tanabe	WMG	KMGR	17 Apr 48
Japanese Tax Collections (Kinki Memo)	KMGR		19 Apr 48
Tax Program	SMG	KMGR	6 May 48
Special Tax Investigation	KMGR	kmgt	14 May 48
Taxation of Relief Recipients	SMG	I Corps	25 May 48
Removal of Undesirable Japanese Official	KMGT	8th Army	15 Jun 48
Special Report on Delinquent Taxes, Year 1947	KMGR	I Corps	17 Jun 48

OSAKA FINANCE BUREAU
Osaka

30 December 1948

TO : Legal Division,
Kinki Regional Military Government. ✓

SUBJECT: Special Distribution of Gasoline for Taxation
Work.

In compliance with your kind advice, we hereby submit to your Headquarters the attached applications to the authorities concerned for special distribution of gasoline for tax collection work for the seven (7) Finance Bureaus under jurisdiction of the I Corps.

We further beg your special consideration and assistance pertaining to the above matters in order to successfully overcome the tax collection problem.

Incl: Letter (4)

K. Naguchi
For T. YOSHIDA
Director-General,
Osaka Finance Bureau.
Representing the
Seven Finance Bureaus
of Western Japan.

Inc 1

OSAKA FINANCE BUREAU
Osaka

30 December 1948

TO : Chief of Seven (7) Finance Bureaus, Western District.

SUBJECT: Application for Special Distribution of Gasoline.

I wish to inform you that as representative of the seven (7) Finance Bureaus I have submitted the application pertaining to the above subject to the following Governmental offices respectively.

1. Prefectural Highway Supervision Office.
2. Minister of Finance.
3. Minister of Commerce and Industry.

OSAKA FINANCE BUREAU
Osaka

30 December 1948

TO : Prefectural Highway Supervision Office.

SUBJECT: Application for Special Distribution of
Gasoline for Taxation Work.

In reference to the above subject, it the urgent problem to complete the national tax income in present Japan, but the tax collection of the seven (7) Finance Bureaus in Western Japan (Osaka, Nagoya, Hiroshima, Takamatsu, Kumamoto, Fukuoka, and Kanazawa) are going against our will and we are now in a deadlock.

And we wish to carry out the withdrawal of the attached items, guidance of tax payment and tax collection publicity, but the present distribution of 200 liters to a bureau is inadequate. We hereby desire your special consideration for our special distribution as mentioned in the attached list.

OSAKA FINANCE BUREAU
Osaka

30 December 1948

TO : Minister of Finance.

SUBJECT: Application for Special Distribution of
Gasoline for Taxation Work.

1. We are thanking your kind consideration on the above subject in the past but the condition of the present tax collection is critical in spite of our efforts to collect the taxes.

2. In order to maintain the Government revenue for this fiscal year by attaining the tax collection goal is the most important matter of the present Japan, we are carrying out the compulsory attachment, delinquent tax disposition, guidance of tax payment and tax collection publicity.

3. However the present allotment of gasoline is 200 liters for each Finance Bureau and this is inadequate for the accelerated program. In representing the seven Finance Bureaus of Western Japan, I hereby submit you the attached requirement of gasoline to carry out our program and humbly beg your special consideration on this matter.

/s/ T. Yoshida
TO YOSHIDA
Director General,
Osaka Finance Bureau

OSAKA FINANCE BUREAU
Osaka

30 December 1948

TO : Minister of Commerce and Industry.

SUBJECT: Special Distribution of Gasoline for Taxation
Work.

In reference to the above subject we are asking your kind consideration through the Finance Ministry for special distribution of gasoline for taxation work. It will be allotted to the seven (7) Finance Bureaus in Western Japan (Osaka, Nagoya, Hiroshima, Takamatsu, Kumamoto, Fukuoka, and Kanazawa) to expedite and facilitate the tax collection work.

In order to successfully overcome the tax collection problem in the next three months and assure the necessary revenue for the Government, we must carry out the withdrawal of the attached items, guidance of tax payment and tax collection publicity.

We are forwarding the application for the special distribution of gasoline on the attached list and beg your kind consideration.

775013

<u>Name of Bureau</u>	<u>Prefectures Under Jurisdiction</u>	<u>No. of Tax Offices</u>	<u>Quantity Required (Gallon)</u>
Osaka	Osaka, Kyoto, Hyogo, Nara, Wakayama, Shiga	63	24,900
Nagoya	Aichi, Shizuoka, Mie, Gifu	46	13,800
Hiroshima	Hiroshima, Yamaguchi, Okayama, Shimane	51	15,300
Kanazawa	Toyama, Ishikawa, Fukui	15	4,500
Takamatsu	Kagawa, Ehime, Tokushima, Kochi	28	8,400
Fukuoka	Fukuoka, Saga, Nagasaki	30	9,000
Kumamoto	Kumamoto, Oita, Kagoshima, Miyazaki	39	11,700
		292	87,600

Remarks: Requirement is for 3 months.
 5 gallons (per day) X 20 day (1 month) X 3 months ---- 300 gallons
 (for 1 tax office)

HEADQUARTERS I CORPS
AFO 391 (Kyoto, Honshu)

GH/km

AG 012 - BA

21 December 1948

SUBJECT: Surveillance of Japanese Tax Administration


TO: See Distribution

1. Reference is made to letter, Hq I Corps, subject as above, dated 3 December 1948.

2. Considerable concern exists in this headquarters relative to the poor Japanese tax collection situation. Efforts must be made everywhere to improve and speed up the work of the Japanese officials in all phases of the tax collection program - from the filing of returns to the prosecuting of evaders. The Tax Collection Program has top priority of all military government activities. Accordingly, it is desired that by the first week in January, Finance and Civil Property Section be organized and functioning in each team. Temporarily, the section will be organized as indicated in inclosure 1.

3. Commanders will give personal attention to the tax program. They will recommend to their next higher headquarters methods and means by which they can be assisted to attain their goals.

BY COMMAND OF MAJOR GENERAL SWING:


C. C. CARTER
Colonel, AGD
Adjutant General

1 Incl:
As indicated

DISTRIBUTION:

2 ea MG Region & Team
I Corps Z/R
3 AG Rec, I Corps

Personnel to Comprise
Finance & Civil Property Section

Region Headquarters

- 1 DAC - CAF 12 (as supplied by higher headquarters)
- 1 Officer
- 1 NCO Assistant, plus Japanese interpreters as necessary

Military Government Teams

- 1 Officer
- 1 NCO Assistant
- 1 Interpreter - driver
- 1 Vehicle

In addition to the teams as indicated above the following prefectural teams will organize additional teams as indicated:

Osaka - 4 Officers

Eyogo - 2 Officers

Nagasaki - 2 Officers

It is anticipated that one Bureau of Internal Revenue tax expert from the United States will be available by or soon after 1 January 1949 for the sections of the regional teams, except in the Chugoku and Shikoku Regions, to which competent officers have already been assigned. The incumbent allotted to the Kyushu Region should cover both of the regional financial bureaus located at Kumamoto and Fukuoka.

Inclosure 1

*Extra for KMGR?*HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

GH/ay

AG 012 - BA

24 December 1948

SUBJECT: Status of Japanese Tax Collection for the Fiscal
Year 1948-49

TO : See Distribution


1. The enclosed table of the Status of Tax Collections for the period 1 April through 30 November was compiled from reports submitted by military government teams having direct supervision over regional offices of the Japanese Ministry of Finance. It shows the comparative results obtained in the tax collection program by various military government teams of I Corps. It also shows that all teams are far behind in collecting their period quotas. SCAP, being seriously concerned about this situation, has given top priority to the tax collection program.

2. During the ensuing three months, the Japanese farmer will turn in and receive payment for his annual rice crop. Every effort to insure the collection of taxes prior to the dissipation of these funds must be made. Japanese tax officials must implement a recent decision by SCAP that all bonuses and other incentive payments are income and subject to full taxation in accordance with the national income tax laws.

3. Military government commanders will devote every effort to achieve the goal set up by this headquarters. A survey will be made by regional headquarters to determine the need of additional tax teams in the prefectures under their control. Military government personnel from all sections may be used to constitute the additional required teams provided no section is made inoperative. A report of personnel required, which is not available to teams to constitute the additional tax teams will be submitted to this headquarters by 6 January 1949. Japanese law enforcement agencies will be impressed with the importance during the next four months of giving high priority to tax cases on their dockets.

4. During the period January through April 1949, written or telephonic progress reports covering the first ten days and the second ten days of each month will be submitted in the same form as and in addition to MG 13 reports so as to reach this headquarters within four days following the period covered by the reports.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
As indicated.DISTRIBUTION:2 ea MG Region & Team
I Corps Z/R
2 AG Rec, I Corps
1 8th Army MG Sec

C. C. CARTER
Colonel, AGD
Adjutant General

STATUS OF TAX COLLECTIONS
FOR THE PERIOD 1 APRIL - 30 NOVEMBER

(1) PREFECTURE	(2) 1945-1949 GOAL	(3) SUPPLEMENTARY GOAL (Not incl in other clms)	(4) PERIOD QUOTA 1 APR - 30 NOV	(5) TOTAL COLLECTED 1 APRIL - 30 NOV	(6) % OF PERIOD GOAL COLLECTED	(7) % OF YEARLY GOAL COLLECTED
KYUSHU REGION						
Fukuoka	* 13,053,567	* 2,373,120	* 8,702,376	* 6,551,898	75%	50%
Oita	2,664,797	477,882	1,776,528	1,085,354	61%	41%
Miyazaki	1,564,240	282,385	1,042,824	825,547	79%	53%
Nagasaki	3,295,559	597,353	2,197,040	1,836,549	84%	56%
Kagoshima	2,777,275	499,604	1,851,520	1,331,587	72%	48%
Saga	2,336,892	418,147	1,557,928	1,116,565	72%	48%
Kumamoto	<u>4,326,670</u>	<u>781,989</u>	<u>2,884,448</u>	<u>1,700,731</u>	<u>59%</u>	<u>39%</u>
TOTAL	30,019,000	5,430,480	20,112,664	14,448,231	72%	48%
KINKI						
	60,735,226	10,967,440	40,523,336	26,075,181	64%	43%
TOKAI						
	27,203,041	4,898,080	18,133,200	13,985,279	77%	51%
KYUSHU						
	<u>30,019,000</u>	<u>5,430,480</u>	<u>20,112,664</u>	<u>14,448,231</u>	<u>72%</u>	<u>48%</u>
TOTAL	118,007,267	21,296,000	78,769,200	54,508,691	69%	46%

* Billions

STATUS OF TAX COLLECTIONS
FOR THE PERIOD 1 APRIL - 30 NOVEMBER

(1) PREFECTURE	(2) 1948-1949 GOAL	(3) SUPPLEMENTARY GOAL (Not incl in other clms)	(4) PERIOD QUOTA 1 APRIL - 30 NOV	(5) TOTAL COLLECTED 1 APRIL - 30 NOV	(6) % OF PERIOD GOAL COLLECTED	(7) % OF YEARLY GOAL COLLECTED
KINKI REGION						
Kyoto	* 10,306,235	* 1,864,465	* 6,870,824	* 4,462,134	65%	43%
Osaka	27,449,509	4,946,315	18,299,672	11,780,038	64%	43%
Hyogo	15,219,000	2,752,827	10,146,000	6,851,732	68%	45%
Shiga	2,655,547	482,567	1,770,368	1,149,625	65%	43%
Wakayama	2,854,698	515,470	1,903,136	1,059,982	56%	37%
Nara	2,300,000	405,795	1,533,336	771,670	50%	34%
TOTAL	60,785,226	10,967,440	40,523,336	26,075,181	64%	43%
TOKAI REGION						
Gifu	3,382,275	607,362	2,252,688	1,669,311	74%	49%
Mie	3,010,055	543,687	2,006,704	1,719,096	86%	57%
Ishikawa	2,580,186	465,318	1,720,120	1,213,730	71%	47%
Toyama	2,605,548	470,216	1,737,032	1,131,885	65%	43%
Aichi	13,467,204	2,424,550	8,978,136	7,468,364	83%	55%
Fukui	2,157,774	386,948	1,438,520	782,893	54%	36%
TOTAL	27,203,041	4,898,080	18,133,200	13,985,279	77%	51%

* Billions

775013

012 (File this memo sheet in Corps)

FILE UNDER NO. 012

INDEX SHEET
SYNOPSIS

All Japanese Officials Concerned with the Collection of Taxes and the
Enforcement of Tax Laws in I Corps Zone of Responsibility

FROM: I Corps

TO :

DATE: 21 Dec 48

DOCUMENT FILED UNDER NO. I Corps Memo 48

012

KMGR

Tax

The following is being accomplished to implement General Walker's letter of 15 December 1948:

(1) C/S

1. A letter covering requirements stated in General Walker's letter is being sent to each region and to each prefectural team in Kinki Region.
2. An order is being sent to the Japanese authorities concerned to prosecute vigorously all tax violators where warranted and particularly to take civil action against United Nations' nationals who do not pay taxes. All teams are being urged to impress upon the Japanese legal authorities the necessity of giving, during the next four months, high priority to tax cases on their dockets.
3. A table showing the collection of last month with a strong cover letter urging greater efforts and requiring henceforth ten day periodic reports is being sent to regional and Kinki team commanders.
4. A brief summary of the pertinent sections of the most important laws applying to taxes is being sent to all teams for their convenience.
5. A school has been arranged to be conducted by tax and legal sections of SCAP in Tokyo in the early part of January for I Corps regional and important prefectural military government team tax officials. This is to be followed by a school in Kyoto and Fukuoka for all tax collecting officers.
6. All teams are submitting up-to-date reports on the number and composition of tax teams which are now operating and whether or not additional teams can be advantageously used.
7. Mr. Mangerich of I Corps, Mr. Moss of SCAP, and U.S. Internal Revenue experts have been conducting investigations of the Osaka Japanese Regional Tax Office to determine what can be done to improve tax collections in that office. A summary of their findings is expected shortly.
8. A buck slip has been sent to G-1 recommending that TDY officers on tax teams who are due to be replaced be replaced only after their replacements have been on duty with Military Government for one month. We are now entering the most critical tax collection period of the year.

SI Dec 18
GOTVAG 200
TAB

(over)

(OASG)

9. By the end of the first week in January when we expect to have reports of the December tax collection in, we will have a much better idea of whether we will attain our goals or not. At that time I may recommend increasing the number of tax teams.

10. Since the Osaka Team is based upon a different situation in that payments for the rice collections have a little bearing on the total amount to be collected, it is recommended that the three additional tax teams, which Colonel Craig desires, be given to him on a 120 day TDY basis.

JJB
Col/MG Sec
21 Dec 48

and members of the organization...

...and members of the organization...

...and members of the organization...

...and members of the organization...

...and members of the organization...

...and members of the organization...

...and members of the organization...

(T) c/e

HYOGO MILITARY GOVERNMENT TEAM
APO 317

3 November 1948

SUBJECT: Tax Leaflet

TO : Commanding General
I Corps
APO 301
Attn: Military Government Section

1. Attached herewith for your information, copy of tax leaflet distributed in Kobe by Communist interests.

2. Information is desired whether or not the information contained in subject leaflet is of the type which could be considered detrimental to the objectives of the Occupation, and whether or not the establishment of such a tax consultation office as that mentioned in paragraph 2 is contrary to present Occupation policies and directives.

1 Incl.
Tax LeafletGEORGE L. ATWOOD
Lt.Col., CAC
Commanding

BASIC: ltr, Hyogo Mil Govt Team, AFO 317, subject: "Tax Leaflet" dtd
3 November 1948

AG 012 - BA

1st Ind

RFS/km

Hq I Corps, AFO 301,

NOV 18 1948

TO: CO, Hyogo Mil Govt Team, AFO 317

1. Communist party activities as indicated by inclosure 1, are recognized as one of their many attempts to harass, embarrass and ultimately undermine the Japanese Government. However, there are no Occupation Force directives which would indicate that an offense such as outlined in inclosure 1, can be tried by Occupation Courts.

2. It is desired that the problem be discussed with the local Japanese tax authorities, as well as the Procurator's office, to ascertain whether the Communist activities violate any Japanese laws. Their comments are desired by this headquarters.

3. Continued surveillance of the Communist tax consulting offices may reveal acts which are in violation of Law No. 46, dated February 1942, which requires a license of persons who hold themselves out to the public as tax consultants. These persons may also be guilty of violating Law No. 39, 1948, specifically Article 31, commonly known as the "Minor Offenses Law". Finally, some acts of conduct may be found to be contrary to Article 95 of the Criminal Code, which prohibits interference with government business. Violations of any of the above laws are triable by Japanese authorities.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
n/c

WILLIAM A. FRANKS
Capt, AGD
Ass't Adjutant General

KMGR

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

GH/ay

AG 012 - BA

23 October 1948

SUBJECT: Sales Transaction Tax

TO : See Distribution

1. There exists a widespread evasion of the newly enacted Sales Transaction Tax. This tax of 1% of the sales value of most business transactions should be the source of immense revenue if adequate collection, educational and enforcement programs are accomplished.

2. In order to facilitate the collection of this levy, the Japanese Government has incorporated within the law certain stamp rebate features (payable to schools and charitable organizations).

3. These rebate features (see OD 48, Incl 1) can be exploited by the Education and Welfare Sections of Military Government Teams to guide Japanese education and welfare agencies in earning revenue for their organizations and thus performing a civic service. As an example, at the present time a Community Chest drive is being conducted throughout Japan which can be given impetus by schools and charitable organizations activity soliciting these stamps.

4. Although the tax may be unpopular, action must be taken by Tax Surveillance Teams to insure collection of revenue from this important source.

BY COMMAND OF MAJOR GENERAL SWING:



C. C. CARTER
Colonel, AGD
Adjutant General

DISTRIBUTION:

- 2 ca MG Region & Team
I Corps Z/R
- 4 - I Corps MG (IG)
- 2 - AG Rec I Corps
- 1 - I Corps C/S

012 KMGR

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

EFH/yy

AG 400.1912 - BA

23 October 1948

SUBJECT: Reduced Tax Rate on Butter and Cheese and Decontrol of Certain
Food Items

TO : See Distribution

1. Reference is made to letter, this headquarters AG 400.1912 BA dated 18 September 1948, subject: "Official Prices of Sweet Potatoes, Fluid Milk, Milk Products and Rapeseed." The tax on butter and cheese has been reduced from 30% to 20%. Consequently, the footnote under paragraph 3 of the above reference which reads: "Does not include 30% tax levied at the producer level" should be changed to read: "Does not include 20% tax levied at the producer level."

2. The removal of both distribution and price controls on the following items will be effected beginning 6 October 1948:

- a. Japanese fruit wine.
- b. Japanese pickles.
- c. Tsukudani - fish and seaweed boiled in soy sauce.
- d. Shiokara - raw salted and fermented cuttle fish and other fish generally consumed with sake.
- e. Katsuo-bushi - dried fish used as a condiment in soups.
- f. Kesuri-bushi - katsuo-bushi scraped into flakes.
- g. Wakame - seaweed used in soups.
- h. Funori - boiled seaweed paste used as a clay for walls.
- i. Spikenard and white gourd melon.
- j. Kampyo - dried meat of a hanging gourd used in soups, and sushi, etc.
- k. Soft drinks served at tearooms, except milk and milk drinks.
- l. Coffee, except imported coffee.
- m. Ice candy and sherbert.
- n. Chicken, mutton, goat meat.
- o. Newly hatched chickens.
- p. Non-alcoholic beverages, syrups and juices, except those imported.
- q. Indigenous olive oil.

Ltr, Hq I Corps, AG 400.1912 - BA, subj: "Reduced Tax Rate on Butter and Cheese and Decontrol of Certain Food Items." dtd 23 Oct 48; cont'd

- r. Smoked salmon, trout and herring.
- s. Salted salmon, trout.
- t. Dried, boiled "chirimen" (fingerling).

3. These items were decontrolled for one or more of the following reasons:

- a. Unessential.
- b. Have no appreciable effect on the household budget.
- c. Are difficult to control and in some instances result in a lower quality product.
- d. Have reached a fairly high degree of stability with respect to supply and demand.
- e. Have no effect on the control of other products.

BY COMMAND OF MAJOR GENERAL SWING:

C. C. Carter
 C. C. CARTER
 Colonel, AGD
 Adjutant General

DISTRIBUTION: 23 OCT 1948

2 en MG Region & Team T.C.
 I Corps Z/R MG

2 AG Rec, I Corps

10 AG Publ

1 Map

5 Sec cone

012

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

GH/mk

AG 319.1 - BA

21 October 1948

SUBJECT: MG 13 Reports


TO: See Distribution

1. Reference: OD 48, Headquarters Eighth Army, dated 17 August 1948.

2. Recent MG 13 reports covering National Japanese Tax Collections submitted by Military Government units have contained many needless errors, omissions, and varied methods of reporting the information required by reference directive.

3. In order to establish uniformity all units are requested to pattern subsequent reports after the model form attached as Inclosure 1.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
Form
C. C. CARTER
Colonel, AGD
Adjutant GeneralDISTRIBUTION:2 ea MG Region & Team
I Corps Z/R
5 I Corps MG (L-G)
2 AG Rec, I Corps

Report Control
Symbol MG 13

MG TEAM

(APO _____ Dated _____

SUBJECT: Surveillance of Japanese Tax Administration

1. In compliance with OD 48, Headquarters Eighth Army, dated 17 August 1948, subject as above, the following report is submitted.

a. Total national taxes collected at beginning of period
¥ _____

b. Total national tax collections during period 1-30-(31)
_____, in _____ Prefecture, ¥ _____.

c. Total national taxes collected for fiscal year through
30-(31) _____, ¥ _____.

2. Major Problems

3. Operational assistance given local tax offices and/or regional financial bureaus by Military Government Teams.

BY ORDER OF _____

Report prepared by

S _____

T _____

Incl 1

HEADQUARTERS
KYOTO MIL GOVT TEAM
APO 301 (Kyoto, Honshu)

CEH/cs

18 October 1948

SUBJECT: Advertisement Tax

TO: Commanding Officer
Kinki Military Government Region, APO 301

1. Inclosed is a copy of a letter received by the Kyoto City Government in which the Osaka Branch of the Central Motion Picture Exchange claims that their company is exempted from paying the city advertisement taxes on advertisements displayed on their billboards in Kyoto City because of the company's connection with the Occupation Forces.

2. Information is requested as to whether or not the Central Motion Picture Exchange is correct in claiming exemption from paying city taxes.

3. A copy of Articles 12 and 13 of the Kyoto City Tax Ordinance is inclosed.

FOR THE COMMANDING OFFICER:

2 Incls:
As indicated/s/ Thomas R. Harbin
/t/ THOMAS R. HARBIN
1st Lt. Infantry
Adjutant

BASIC: Ltr, Kyoto Mil Govt Team, subj: "Advertisement Tax",
 dtd 18 Oct 48.

012 1st Ind RFS/ys

Hq Kinki Mil Govt Region, APO 301, 21 OCT 1948

TO: CG, I Corps, APO 301

1. Attention is invited to basic letter and two inclosures relative to the applicability of a local tax on billboard used by theatres showing pictures through the Central Motion Picture Exchange. NG

2. Inclosure 1 indicates to CMPE to be a United States concern, a status this headquarters desires to have verified before advising the Japanese tax officials on the appropriate legal steps to obtain payment. Jem

FOR THE COMMANDING OFFICER:

2 Incls:
 n/c

J. E. ENGLEHARDT
 Capt., AGD
 Adjutant

AG 012 - BA

2nd Ind

OCT 21 1948

RFS/ys

Hq I Corps, APO 301,

TO: CG, Eighth Army, APO 343

2 Incl:
 n/c

WAF

012

BASIC: Ltr, Kyoto Mil Govt Team, subj: "Advertisement Tax", dtd 18 Oct 48.

AGMGF 415

3rd Ind

Headquarters Eighth Army, APO 343

28 Oct 1948

TO: Supreme Commander for the Allied Powers
APO 500

(Attention: Economic and Scientific Section)

Information is requested as to the status of the Central Motion
Pictures Exchange and the tax liability thereof.

FOR THE COMMANDING GENERAL:

2 Incls:
n/c - 1 cpy incl 1 w/d

/s/ S. R. Mohn
for R. SCHAFER
Lt Col, AGD
Asst Adj Gen

Ltr, Hq Kyoto Mil Govt Team, subj: Advertisement Tax, 18 Oct 48.

AG 012.2(18 Oct 48) ESS/IR

4th Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
27 November 1948

TO: Commanding General, Eighth Army, APO 343

1. The request for information as to the taxable status of the Central Motion Pictures Exchange and with reference to billboards owned by it and displayed in Kyoto City, has been considered.

2. This concern, by its managing agent, has now admitted liability for such tax.

3. This concern is an ordinary commercial concern and, subject to the provisions of memorandum for the Japanese Government from GHQ, SCAP, AG 012.2 (29 Nov 47) ESS/FI, SCAPIN 4938-A, subject: Applicability of Taxes to Non-Japanese Nationals, 29 November 1947, is liable for such taxes as may be imposed by the Japanese Government or subdivision thereof.

4. The denial of liability in the specific incident giving rise to the inquiry is stated to be due to a misunderstanding of the policy of the main office and an exceeding of authority by a branch manager.

BY COMMAND OF GENERAL MacARTHUR:

2 Incls
n/c

/s/ J. F. Bradshaw
J. F. BRADSHAW
Major, AGD
Asst Adj Gen

Ltr, Hq Kyoto Mil Govt Team, 18 Oct 1948, subj: Advertisement Tax
AGMGF 415 5th Ind

Headquarters Eighth Army, AFO 343

1 Dec 1948

TO: Commanding General, I Corps, AFO 301

Attention is invited to 4th indorsement.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

2 Incls. n/c

/s/ S. R. Mohn
for MONROE N. HINEY
Major, AGD
Asst Adj Gen

AG O 12 - BA

6th Ind

GH/km

Hq I Corps, AFO 301

TO: CO, Kinki Mil Govt Region, AFO 301

2 Incls:
n/c

012 - BA

7th Ind

GH/km

Hq Kinki Mil Govt Region, AFO 301,

DEC 4 1948

TO: CO, Kyoto Mil Govt Team, AFO 301

1. Attention is invited to 4th indorsement.
2. It is desired that Japanese tax officials be informed of this decision by SCAP and that they be advised of their legal right to proceed with the assessment and collection of taxes due from this firm.

BY ORDER OF COLONEL BURNS:

2 Incls:

JOSIAH B. MILLER
Major, FA
Acting Adjutant

HEADQUARTERS
OSAKA MILITARY GOVERNMENT TEAM
APO 25

012

16 September 1948

Reports Control Symbol MG-13

SUBJECT: Surveillance of Japanese Tax Administration
(Osaka Regional Finance Bureau)

TO: Commanding General
Eighth Army, APO 343
ATTN: Mil Govt Sec

1. Reference is made to paragraph 5, Operational Directive 48, Headquarters Eighth Army, dated 17 August 1948.

2. Actual total tax collection reported by the Osaka Regional Finance Bureau for the months of June, July and August 1948-49 fiscal year, also April, and May collections creditable to 1947-48 and 1948-49 fiscal years are listed in inclosure #1.

3. The major problems of tax administration throughout the region are (1) shortage of qualified personnel, Transaction Tax Section has caused a drain on qualified personnel; (2) the continuance of tax officials to make arbitrary reassessments thereby creating a large number of reinvestigations; (3) need for reorganization of the Regional Bureau with separation of taxation affairs from its other operations.

4. The type and extent of operational assistance given:

(1) Daily visits to the Osaka Finance Bureau and conferences with local tax office surveillance teams to determine their problems and lend assistance.

(2) Supervising the investigation of delinquent persons which have been referred to the Regional Office.

I Corps File

Ltr. Hq Osaka Mil Govt Team, APO 25, 012, Rpts Control Sym
MG - 13, subject: 'Surveillance of Japanese Tax
Administration (Osaka Regional Finance Bureau) dtd
16 Sep 48

(3) Coordinating with 25th Division Air Section
in having leaflets dropped in Osaka and Hyogo Prefectures,
which briefly describe the method of paying Transaction
Tax.

(4) Supervising a department store exhibition
held in Osaka from 24 August to 3 September by the Regional
Office. The purpose of this exhibition was to educate the
taxpayer on the basic principles of transaction tax.
Approximately 80,000 people visited the exhibition.

(5) Stimulating the regional bureau chief to
require local office superintendents to conduct in service
training of employees.

(6) Conducting meetings with the chiefs of the
Osaka Finance Bureau and his assistants to determine the
major problems and to devise methods for the solution of
these problems.

1 Incl:
As noted

MALCOLM E. CRAIG
Colonel, Infantry
Commanding

OSAKA FINANCE BUREAU
(Osaka)

Sept. 15, 1948

REPORT ON JAPANESE NATIONAL TAX COLLECTION FOR
THE FISCAL YEAR 1948-49 TO AND INCLUDING THE PERIOD ENDING
31 DAY OF AUGUST

(Unit 1000 yen)

Name of Prefecture	Period 1-30 April		Period 1-31 May		1-30 June: 1948-49	1-31 July: 1948-49	1-31 Aug.: 1948-49	Total 1948-49
	Credit 1947-48	Credit 1948-49	Credit 1947-48	Credit 1948-49				
Osaka	2,462,493	357,812	35,605	842,899	1,251,255	1,421,462	2,034,736	5,908,164
Kyoto	719,946	190,027	11,982	333,671	515,357	641,303	780,948	2,461,306
Hyogo	1,150,821	323,952	83,158	517,480	654,078	892,133	1,063,700	3,451,343
Nara	397,314	36,290	906	64,431	70,432	95,111	132,022	398,286
Wakayama	430,039	45,939	1,138	87,604	101,885	151,671	184,802	571,901
Shiga	108,169	64,197	2,897	116,970	100,724	177,924	161,970	621,785
Fukui	121,773	32,598	3,346	101,410	87,965	95,603	115,924	433,500
Total:	5,390,565	1,050,815	139,032	2,064,465	2,781,696	3,475,207	4,474,102	13,846,286

NOTE: Figures for August 1948 are compiled from tri-monthly reports while other figures are from monthly Tax Collection Reports.

2nd 14

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

012

FILE UNDER NO. 012

INDEX SHEET
SYNOPSIS

Subject: Summarized Charts Showing the Status of Crop Collections
and Tax Collections

FROM: 1 Corps

TO :

DATE: 13 Sep 48

DOCUMENT FILED UNDER NO. 1 Corps Memorandum (UnnumberedMemo.)

012

NARA MILITARY GOVERNMENT TEAM
APO 25 Unit 4

REM/ao

2 September 1948
48/LG/T/1

SUBJECT: Warning Notice for Income Tax Self-Assessment

TO : Commanding General
Eighth Army
APO 343
ATTENTION: (Military Government Section)

1. The Branch Tax Offices in this prefecture have received copies of the inclosed printed form (see inclosure 1 and inclosure 2, translation) which they have sent out to taxpayers subject to self-assessed Income Tax whose self-assessment was less than double that of last year, in accordance with instructions from Central Government.

2. In most cases the first blank space in paragraph 2 has been filled in to make it read "at least 2 times as that of last year". In some few cases it even reads 3 times. The amount filled in is on a sliding scale depending on the type of business of the taxpayer.

3. As a result of this untactfully worded form letter, the tax offices are being filled by irate taxpayers who want to know what right tax offices have to decide arbitrarily that assessments should be twice as large as last year. The tax officials are at a loss to answer this question except by saying that they are acting on orders from the Osaka District Office, and, presumably, from the National Government, and that since the national budget is twice as large as last year, tax collection must follow suit.

4. Request that the responsible persons on a national level be informed that such ill-advised literature is creating hostility among the taxpayers, and that the latter should be instructed how to make their self-assessments in accordance with the tax law rather than according to some arbitrary standard of the tax office.

ROLAND S. HENDERSON
Colonel, Cav
Commanding2 Inc's
as above

BASIC: Ltr, Nara Military Govt Team, AFO 25, subj: "Warning Notice for
Income Tax Self-Assessment", dtd 2 September 1948.

AG 012 - BA

1st Ind

GH/ro

Hq I Corps, AFO 301

SEP 11 1948

TO: CG, Hq Eighth Army, AFO 343

1. It has been ascertained by this office that Incl 1 was drafted in the Osaka District Tax Office from information received at a recent conference of Japanese Tax Officials in Tokyo. This conference stressed the fact that the revenue expected to be collected during the FY 1948-49 was approximately double that collected during the previous year which would increase, on the average, all tax payments at least 2 times.

2. The Osaka Military Government Team has contacted the local Tax Office and explained that the 1948-49 income tax is based on individual earnings, as affected by existing Income Tax laws, and that arbitrary amounts must not be quoted to individual taxpayers.

FOR THE COMMANDING GENERAL:

2 Incl - n/c

WILLIAM A. FRANKS
Capt, AGD
Ass't Adjutant General

M/G
JH
FC

20 August 1948

PROMPTING NOTICE

1st term collection of income tax based on
Preliminary self-assessment for
the fiscal year 1948-1949

Dear Sir:

As you are well aware the nation's income-tax burden has recently been mitigated to some extent in the rate together with increased basic reduction and dependent reduction. Although your assessment amount of income tax comes to twice as big as last year, actual tax amount is to be amount 50% increase. In view of cooperation to state finance in this spiral inflation age, your positive help in prompt tax payment is earnestly expected thus avoiding such confusion and delay as shown towards end of last fiscal year.

We have received (or have not received yet) your preliminary self-assessment for this year, but found them too small estimated, so beg to request you to send us re-assessment paper at least times as that of last year by August If not, we are obliged to make out your re-assessment on our side, which please note and hurry up your renewed report (or first report).

We should like to add that special consideration will be paid to your re-assessment or payment by the said date in exemption of addition rate for delay.

Hoping you will soon call us at the direct-tax section with this letter.

We remain, yours most truly,

Tax Office

HEADQUARTERS
OSAKA MIL GOVT TEAM
APO 25

CAP/myt

012

22 July 1948

SUBJECT: Surveillance of Japanese Tax Administration

TO : Commanding General
I Corps
APO 301
ATTN: Mil Govt Sect.

1. Reference is made to:

a. Operational Directive Number 4, for 1948, Headquarters Eighth Army, dated 21 January 1948 as amended.

b. Memorandum for: Minister of Finance, Japanese Government, subject: Necessity for Maintaining Efficient Tax Collection Service, from Economic and Scientific Section, GHQ SCAP, dated 27 March 1948.

2. In the past, collection of taxes has, to a great extent, been hampered by the activities of certain groups of local residents who, acting in unison, have attempted to embarrass taxation officials through activities in and around local tax offices, or who by union strike or dispute action have delayed payment of taxes at post offices or disrupted telephone service to tax offices, or taken action as indicated in paragraph 1 of reference 1b above.

3. Reference 1b above states that the rapid establishment of economic stability within Japan is an objective of the Occupation. It states further that "any action of the Japanese people as a whole or of any segment of the population to decrease the rate of attainment of domestic economic recovery must be viewed as a threat to these objectives.

4. In order that optimum assistance may be given to Japanese tax officials in case matters similar to those enumerated in paragraph 2 above recur in the future, it is requested that this headquarters be informed if higher

MG

authority regards reference 1b above as being the type of directive, violations of which may be taken cognizance of by Japanese courts under Government Ordinance Number 311.

JBM

MALCOLM E. CRAIG
Colonel, INF.
Commanding

AUG 7 1948

AG 012 - BA

1st Ind

AUG 7 1948

RFS/lhe

Hq I Corps, APO 301

TO: CG, Eighth Army, APO 343

1. Attention is invited to basic letter and question raised by the Osaka Military Government Team in par 4.

2. Reference 1b came to the attention of Military Government through Japanese channels, a copy of which is attached hereto as Inclosure #1, was transmitted by telephone from the Osaka Military Government team to this headquarters.

3. In the event the question raised in par 4 is answered in the affirmative, it will be possible to try persons engaging in activities stated in par 2 before the Japanese courts under Imperial Ordinance 311. Such procedure will be more effective than the existing practices under Article 95 of the Japanese Criminal Code.

FOR THE COMMANDING GENERAL:

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

1 Incl:

- (Added) Ltr, GHQ SCAP,
Subj: Necessity for Maintaining Efficient Tax Collection Service, dtd 27 March 1948.

BASIC: Ltr, Hqs Osaka Military Government Team, APO 25, file 012, dtd 22 July 48, subject: "Surveillance of Japanese Tax Administration".

AGMGL 012

2nd Ind

Headquarters Eighth Army, APO 343, 21 Aug 1948

TO: Commanding General, I Corps, APO 301

1. Article 2 of Imperial Ordinance Number 311 (Inclosure 8 to Operational Directive Number 33, this headquarters, May 1948) reads in part as follows; "Acts prejudicial to the Occupation objectives in this Ordinance are defined as all acts which are violations of directives to the Imperial Japanese Government issued by the Supreme Commander for the Allied Powers directives and all ordinances or laws promulgated by the Imperial Japanese Government in implementation of these directives".

2. It is noted that paragraph 4 of Major General Marquat's memorandum (Inclosure 1) indicates that the responsibility for initiation of necessary action rests with the Japanese Government. The fact that this paper was designated as a memorandum is indicative to the Japanese Government issued by the Supreme Commander for the Allied Powers", as used in the Ordinance.

3. A further consideration is the encouragement of the Japanese governmental agencies to carry out their own responsibilities under their own laws rather than basing their actions on some Occupation Force directive.

4. Article 95 of the Criminal Code, if vigorously enforced in the Japanese courts, is adequate to protect tax officials from intimidation and violence.

BY COMMAND OF MAJOR GENERAL FYDER:

1 Incl:
n/c

/s/ R. Schafer
/t/ R. SCHAFFER
Lt Col, AGD
Asst Adj Gen

775013

FOR FILE

BASIC: Ltr, Osaka Mil Govt Team, O12, subj: "Surveillance of Japanese Tax Administration", dtd 22 Jul 48.

AG O12 - BA

3rd Ind

RFS/ys

Hq I Corps, APO 301,

AUG 24 1948

TO: CO, Osaka Mil Govt Team, APO 25

Attention invited to preceding indorsement.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
n/c

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

MG
JPM

012

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

Mr. K. Tsuji, Chairman
Kinki Region Nat'l Federation
of Tax Office Workers Union
Osaka, Honshu

Gentlemen:

I wish to express to you and to the members of your union my sincere appreciation for your cooperation and assistance in making suggestions for the improvement of tax laws and tax administration. The cooperative attitude, eagerness for improvement, and initiative exhibited by your group at the conference held in Kyoto and in the written report which you submitted were highly gratifying.

While we of Military Government could not agree with all of your suggestions, we found many of them to be basically sound and constructive and worthy of attention. A final report on the problems which were encountered in the 1947-48 tax program in which many of your suggestions were incorporated has been forwarded to higher headquarters. It is hoped that the information and recommendations contained in this report will be of benefit during the present fiscal year.

Again I extend my thanks to your group for your assistance and trust that you will continue to strive for improvement and greater efficiency in your work.

Sincerely,

FRANK KOWALSKI
Col, INF
Deputy Senior Mil Govt Officer

199 file

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

*Please return to
1-6 to hold until
reply is received -
RFS/lha*

M6
JRM

AG 012 - BA

JUL 14 1948

SUBJECT: Chief of Hikone Tax Office, Shiga-ken

TO : Regional Finance Bureau, Osaka, Japan

THRU : Regional Japanese Liaison and Coordinating Office,
Kyoto, Japan

1. Military Government teams were instructed to maintain close surveillance over tax officials' actions in collecting taxes from tax paying units delinquent 1 million or more yen. It was expected that tax officials would pursue an aggressive campaign on these taxpayers owing large sums.

2. During April the Military Government tax surveillance officer in Shiga-ken discussed the problem of large taxpayers with Mr. Chikyo Tsukahara and then paid a personal visit to the largest taxpayer in the Hikone Tax Office area, Horie, Seizo, who owed ¥1,062,000; at the termination of that visit Tsukahara stated that he would conduct a re-examination immediately as requested by Horie. During the first part of May, the Commanding Officer and the Tax Surveillance Officer again instructed Tsukahara to begin work immediately on tax payments of Horie. On 24 June the tax surveillance officer found that Tsukahara had not as yet commenced any action on this case, giving as an excuse that he had instead concentrated on the smaller taxpayers who are delinquent.

3. The Hikone tax office has been consistently dilatory in pushing the tax collection program. Shiga-ken has been high in the Kinki Region in percentage of tax collection since surveillance over this program was initiated and in the final ranking of the 78 offices in the region, five of the six offices ranked first, second, fourth, twelfth and sixteenth with Hikone forty-second. On 24 March all tax offices had completed 100% of the goal but Hikone did not complete 100% until 30 April. The total collection of Shiga Prefecture on 30 April was 133% of goal but Hikone had reached only 102%. This slowness in collection is believed due largely to the inertia and lack of aggressiveness of Tsukahara.

BASIC: Ltr, Hq I Corps, APO 301, subj: Chief of Hikone Tax Office, Shiga-ken, dtd

4. The Shiga Military Government Team has initiated procedures which may result in the removal from office of Mr. Tsukahara. This information is submitted for your information and any action you deem necessary. Any report you wish to make will be considered by this headquarters in processing the complaint against Mr. Tsukahara.

BY COMMAND OF MAJOR GENERAL SWING:

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

M6
JBA

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

RFS/lha

012

28 June 1948

SUBJECT: Local Taxation

TO : Commanding Officer
Hyogo Military Government Team
APO 317

1. Reference is made to TWX, your headquarters, HMGT23-1, relative to enactment of revenue raising by-laws and regulations of local bodies. Under existing Japanese law local governments are restricted in the sources of their revenue. In this connection see Law #32, 1947, found on page 58 of the Official Gazette, Extra #2 for 31 March 1947, especially Articles 48 and 57.

2. The Japanese Government has been working on the problem of local finances since last winter but to date the Diet has failed to enact appropriate legislation on national tax laws, local tax laws, or the national budget, and during this interim of uncertainty there are a number of working agreements between the Ministry of Finance and the local taxing bodies.

BY ORDER OF COLONEL DEVINE:

JOSIAH B. MILLER
Major, FA
Acting Adjutant

Info copy to:
L-G Div, Hq 8th Army,
Mil Govt Section

JBA
la

M6a

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

RFS/lha

4101 AG 012 - BA

JUN 18 1948

SUBJECT: Payment of National Taxes due from Closed Institutions

TO : Commanding General
Eighth Army
APO 343

1. Attached hereto is a copy of correspondence between the Shiga Military Government Team, Kinki Military Government Region, and the Osaka Military Government Team relative to the collection of ¥570,000 taxes due from the Shiga-ken Shokuryo Eidan, a closed institution.

2. This headquarters is of the opinion that taxes due constitute a prior claim in the liquidation of assets. Our position is based upon Article 2, National Tax Collection Law of 1897. However, the Regional Finance Bureau in Osaka produced a memorandum (Inclosure #1 to attached letter) indicating approval by GHQ SCAP that taxes would be treated as general claims or liquidation expenses. This headquarters had no prior notification of the petition made by the Liquidating Commission for Closed Institutions and approved by R. M. Catlin until produced by the Japanese authorities.

3. Information is requested as to the authenticity of the contents of inclosure #1 to attached letter pertaining to treatment of taxes due from closed institutions.

FOR THE COMMANDING GENERAL:

Wilder A. Johnson
WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

1 Incl:
ltr, Shiga MGT, Subj: Tax Program, dtd 6 May 48,
with 3 indorsements and
1 inclosure.

BA87 420

775013

Ltr, Hq I Corps, AG 012 - BA, June 18, 1948, subj: "Payment of National Taxes Due from Closed Institutions."

AGMGF 012 1st Ind

Headquarters Eighth Army, APO 343

TO: Supreme Commander for the Allied Powers
 APO 500
 (Attention: Public Finance Branch
 Economic & Scientific Section)

G.H.Q. I
 JUN 26 1948
 AGO RECORDS

26 JUN 1948

1. This headquarters concurs in the opinion expressed in paragraph 2 of basic communication.

2. It is requested that information be furnished as to the proper priority of claims for taxes due in the liquidation of assets of closed institutions.

8

FOR THE COMMANDING GENERAL:

S. P. Roschafner, Capt SAC
 ROSCHAFER
 Lt. Col., AGD
 Asst. Ad Gen

1 Incl. n/c

AG 012,2 (18 Jun 48) ESS/FIN 2nd Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
 29 July 1948

TO: Commanding General, Eighth Army, APO 343

1. The opinion expressed in paragraph 2 of the basic communication is correct. Taxes due before and after closure are paid as claims and have first priority on the assets of the closed institution. Whether payment is partial or in full, it is applied against total tax claim and not against amount due before or after closure.

2. Policy is to make tax payment as soon as possible after tax officials and liquidator reach agreement on proper amount of payment. To date payment in the amount of ¥352,188,000.00 has been made for 114 closed institutions.

3. Taxes are not ordinarily paid as liquidation expense.

4. Liquidation expenses are not regarded as claims. However, under Japanese law, as well as commercial and civil codes of other countries, the liquidator is permitted to pay expenses of liquidation before allocation of the proceeds of

AG 012.2(18 Jun 48) ESS/FIN, 29 July 48, 2nd Ind,
 Subj: Payment of National Taxes Due from Closed Institutions.

liquidation to creditors. As stated in paragraph 1 above, taxation claims have first priority on the remaining assets after payment of the liquidation expenses.

7132

5. Memorandum (Incl. 1), as reproduced, is misleading and should be disregarded.

6. Request foregoing information be disseminated to all units concerned.

BY COMMAND OF GENERAL MacARTHUR:

J. F. Bradshaw
 J. F. BRADSHAW
 Major, AGD
 Asst Adj Gen

122

1 Incl
 n/c

AGMGP 012 3rd Ind

Headquarters Eighth Army, APO 343

TO: Commanding General, I Corps, APO 301

4 AUG 1948
 MB

Attention is invited to 2nd indorsement. The information contained in 2nd indorsement is being included in an operational directive from this headquarters covering the details of surveillance of tax administration for the fiscal year 1948-49 which will be released at an early date.

8

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

A. Roschauer
 ROSCHAUER
 Lt Col, AGD
 Asst Adj Gen

1 Incl. n/c

775013

BASIC: Ltr, Hq I Corps, APO 301, subj: Payment of National Taxes due from Closed Institutions, dated 18 June 1948

AG 012 - BA

4th Ind

RFS/lha

Hq I Corps, APO 301

TO: CO, Shiga Mil Govt Team, APO 25

AUG 5 1948

1. Attention is invited to preceding correspondence relative to a situation brought to light by your military government team.

2. Request correspondence be returned to this headquarters for file.

BY COMMAND OF MAJOR GENERAL SWING:

Wilder A. Johnson
 WILDER A. JOHNSON
 Capt., A.G.D.
 Asst. Adj. Gen.

1 Incl:
 n/c

012

5th Ind

JWL/cm

Hq Shiga Mil Govt Team, APO 25, Unit 3

9 August 1948

TO: Commanding General, I Corps, APO 301

Action will be initiated to institute payment of these taxes.

1 Incl:
 n/c

*Essene incorporated
 in Misc. Comments Ltr
 #7 for Aug 1948.
 PLS.*

E. D. Lucas
 E. D. LUCAS
 Lt Col, CAV
 Commanding

91916

3735-

HEADQUARTERS
SHIGA MILITARY GOVERNMENT TEAM
APO 25 Unit 3 (Otsu, Honshu)

JWL/cpt
6 May 1948

SUBJECT: Tax Program

TO : Commanding Officer, Kinki Mil Govt Region, APO 301

1. An interview with an official of "Foodstuff Corporation", of Otsu, was held on 24 April 1948 at the Otsu tax office with the tax chief and tax surveillance team present.

2. During the course of the interview, it was alleged by the official that the parent concern of "Foodstuff Corporation", Osaka Foodstuff Corporation Branch, located at Osaka has instructed officials of "Foodstuff Inc." to settle other financial obligations before paying taxes. The Corporation tax due from said concern on 24 April was ¥570,000.

3. It is felt that this alleged policy is not conducive to good government.

4. Forwarded for your information and for any corrective action that may be deemed necessary.

E. D. LUCAS
Lt Col, CAV
Commanding

Incl #1

BASIC: Ltr, Shiga Mil Govt Team, APO 25 Unit 3, subj: Tax Program, dated 6 May 1948

O12

1st Ind

HAT/lha

Hq Kinki Mil Govt Region, APO 301, 10 May 1948

TO: CO, Osaka Mil Govt Team, APO 25

1. Your attention is invited to basic letter, dated 6 May 1948.

2. It is requested that your tax surveillance team in conjunction with Japanese tax officials inquire into the tax policy and alleged ¥570,000 due from this corporation.

BY ORDER OF COLONEL DEVINE:

J. E. ENGLEHARDT
Captain, AGD
Adjutant

O12

2nd Ind

CAP/myt

Hq Osaka Mil Govt Team, APO 25, 7 June 1948

TO: CO, Kinki Mil Govt Region, APO 301

1. Reference is made to the following laws:

a. Government Ordinance No. 74 (Closed Institutions Ordinance) of 1947 which appears in Official Gazette No. 281, dated 10 March 1947.

b. Prime Minister's Office, Ministries of Finance, Foreign Affairs, Commerce & Industry, Transportation, Agriculture & Forestry, Welfare and Justice Ordinance No. 4 of 1947 which appears in Official Gazette No. 490, dated 17 November 1947.

c. Ministries of Finance and Agriculture and Forestry Notification No. 6 of 1948 which appears in Official Gazette No. 564, dated 20 February 1948.

2. The Shiga-ken Shokuryo Eidan (Shiga Prefectural Food Corporation) was designated a closed institution and was a designated business on 20 February 1948 in accordance with the references cited above.

BASIC: Ltr, Shiga Mil Govt Team, APO 25 Unit 3, subj: Tax Program, dated 6 May 1948

3. The Heisa Kikan Seiri Iinkai (Closed Institutions Liquidating Commission) c/o The Bank of Tokyo, No. 5 Kitahama 5-chome, Higashi-ku, Osaka City which is directly under the Ministry of Finance is in charge of the liquidation of approximately 150 local institutions located in the Kinki Military Government Region and Ishikawa and Mie Prefectures. Commission officials state that the designated business of the Shiga Prefectural Food Corporation ceased on 4 June 1948; that three public notifications for claims against this institution will be made within the next two months; that the expiration date for filing claims against the institution is two months after the first public notification; that tax claims will be handled in accordance with paragraph 4 of reference 1b above, except for tax obligations incurred after 20 February 1948 which will be paid as liquidating expense at the time of settlement of all claims; that on or about 5 September 1948 payment of claims against the Shiga Prefectural Food Corporation will begin.

4. Attached as inclosure 1 is a copy of a letter approved by ESS, SCAP reference payment of taxes in conformity with paragraph 4 of reference 1b above.

5. As the manner of payment of taxes by closed institutions will continue to be a problem to all teams, it is recommended that this information be widely disseminated.

1 Incl:
As noted.

SAMUEL G KELLY
Lt Col, Infantry
Commanding

012-BA

3rd Ind

HAT/lha

Hq Kinki Mil Govt Region, APO 301

TO: CO, Shiga Mil Govt Team, APO 25 Unit 3

Attention is invited to basic letter and 2nd indorsement.

BY ORDER OF COLONEL DEVINE:

1 Incl:
n/c

J. E. ENGLEHARDT
Captain, AGD
Adjutant

CLOSED INSTITUTIONS
LIQUIDATING COMMISSION

A - 32

TO: Liquidation Branch
ESS/FI GHQ SCAP

Tokyo 6 May 1948

SUB: Payment of Taxes

1. We understood that the principle of tax payment in taxes for the period before closure shall be set up as general claims, and that for the period after closure may be paid as liquidation expense.

2. Many taxes, for instance house, land, motor-car, and other national and local taxes cover the periods running through prior to and after date of closure. From the logical viewpoint, it should be divided into two parts at the date of closure and be listed as general claim or paid as liquidation expense accordingly. But in practice in such case we have listed all those taxes as general claims under your instruction verbally given to Property Department.

For instance taxes for and before 1948 fiscal year on the closed institutions closed during 1 January and 31 December 1948 have been set up as general claims.

3. Thus far, some taxation offices, especially local ones, have not quite understood above principle and attempted forcibly to collect taxes from closed institutions. Some closed institutions with designated business, also not quite understanding the principle, had paid them as notified by the taxation offices for which we have instructed them to reverse.

4. We would like to make the practice stated in par 2 an established rule and get all the parties concerned fully understood this rule to avoid such troubles hereafter.

5. Your approval is awaited for the above and for sending copies of this letter when approved to the parties concerned for the purpose of par 4.

CLOSED INSTITUTIONS
LIQUIDATING COMMISSION

S.K./K.K.

Approved by ✓
R. M. Catlin
(Signed)
Liquidation Branch
ESC/FI GHQ SCAP
Dated May 7 1948G. Suga
(Signed)
Vice Chairman

Sull / to Sull

O RESTRICTED O

48/10/T/45

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

9 JUN 1948

012

SUBJECT: Special Report on Delinquent Taxes, Year 1947

TO: Commanding General
I Corps
APO 301

1. The purpose of this special report is to bring to the attention of higher headquarters the seriousness and the magnitude of the delinquency of the Japanese in their failure to pay income taxes for the year 1947, and to propose certain urgently needed action at national level to force the Japanese tax officials to collect, and the Japanese people to pay delinquent taxes.

2. In the surveillance of the tax collection program, this region exerted strong emphasis on the collection of taxes from delinquents. It was early realized that the efforts of the surveillance teams would be dissipated unless attention was centered on the big delinquents and evaders. Accordingly, this region, and the other regions in I Corps Z/R had each prefectural military government team prepare a list of all tax payers who owed one million yen or more in taxes, and directed the teams to encourage Japanese tax officials to collect taxes from this high bracket group. During the last two weeks, a more extensive survey was made. Each prefectural military government team was directed to report the total amount of taxes delinquent from tax payers who owed one million yen or more, and to have the Japanese tax officials in each prefecture estimate the amount of uncollected income taxes for 1947 from tax payers who owed less than one million yen.

3. The table below shows the status of tax collection in I Corps as compared with Japan as a whole, and illustrates the magnitude of delinquent taxes:

(1)	(2) <u>KINKI</u>	(3) <u>TOKAI</u>	(4) <u>KYUSHU</u>	(5) <u>I CORPS</u>	(6) <u>JAPAN</u>
Amounts shown are in million yen					
Tax Quota	31,708	12,809	17,154	65,203	135,400
Amount Collected	31,943	15,963	18,751	70,752	146,100
% of Quota Collected	100.7%	123.7%	109.3%	108.5%	107.9%
Amount Delinquent	11,142	2,824	5,198	19,164	39,500 *

*(estimate based on Columns 5 & 6)

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Ltr, Hq Kinki Mil Govt Region, File No. 012, 48/10/1/45, Subj: Special Report on Delinquent Taxes, Year 1947, dtd

47 JUN 1948

Referring to the above table it can be seen that the amount of taxes and the percentage of tax quota collected in the I Corps Z/R compares favorably with the collection of taxes in Japan as a whole. Nevertheless by actual survey, it was found that in I Corps Z/R ¥19,164,000,000 taxes are still uncollected. In view of the fact that in this zone 108.5% of the tax quota was collected as compared to 107.9% in all of Japan, and further since this zone collected slightly less than 50% (see Column 5) of the total amount of taxes in Japan, it is estimated that there are 39½ billion yen of delinquent taxes in all Japan. This represents more than 29% of the original national tax quota. Furthermore, referring to table in paragraph 4, it can be seen that about 7% of this delinquent tax is owed by tax payers who owe one million yen or more.

4. For purposes of comparison, the second table shows the amount of delinquent taxes for tax payers who owe one million yen or more and those who owe less than one million yen in Kinki Region. The other two regions in I Corps Z/R hold consistent relationship.

<u>Prefecture</u>	<u>Over ¥1,000,000 (Actual)</u>	<u>Under ¥1,000,000 (Estimate)</u>
Nara	5,000,000	104,000,000
Osaka	298,351,820	4,770,553,737
Hyogo	42,202,803	2,500,000,000
Shiga	17,924,732	374,304,208
Kyoto	238,610,583	2,157,979,454
Wakayama	74,767,402	109,010,000
TOTAL	<u>699,371,966</u>	<u>10,442,631,239</u>

5. During the last month, military government teams in this area have been exerting their energies to collect unpaid taxes, however, the task appears hopeless unless strong measures are taken against the Japanese by the Occupation Forces at national level. At the operating level, military government does not have sufficient personnel and will never have sufficient personnel to follow through on delinquent tax payers. Time and again, our experience in the field shows that many of the tax officials are soft, indifferent, careless, susceptible to pressures of influence, and collusion. They can be expected to sympathize with, rather than prosecute, tax delinquents. On the other hand, the tax delinquent is scheming to have his taxes reduced and hopes by continued delay eventually to pay little or nothing of what he owes. Field investigations indicate that there are many cases of collusion between high bracket tax delinquents and tax officials to reduce

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Ltr, Hq Kinki Mil Govt Region, File 012, 48/LG/T/#5, Subj: Special
Report on Delinquent Taxes, Year 1947, dtd

17 JUN 1948

unpaid taxes to a small percentage of original assessments. Examples are; - in Kyoto, a hotel and restaurant owner self assessed himself 75,304 yen; tax office assessed him 3,489,800 yen; he paid 180,000 yen; tax officials reexamined his case and reassessed him 241,000 yen, dropping 3,248,800 yen. A fish broker assessed himself 322,450 yen; was assessed 2,356,600 yen by the tax office; paid 172,516 yen; and was reassessed by tax officials 350,000 yen, dropping 2,006,000 yen. A Korean, in Osaka, failed to make a return for 1946; was assessed 4,300,400 yen by the tax office; paid 465,000 yen; and had his tax changed to 1,973,252 yen, dropping 2,327,148 yen. Military government personnel at the operating level can and do unearth many of these unsavory cases, and within the limits of their authority, correct delinquencies, but forceful action is required at national level to stiffen the attitude of the Japanese.

6. This situation is considered serious and if discovered, publicized and exploited by interests inimical to the occupation will create an adverse political situation of magnitude.

7. It is therefore recommended that:

a. Appropriate action be taken at national level to impress the Japanese officials with the seriousness and magnitude of the tax delinquency.

b. The Japanese government be urged to set up special Japanese tax teams, including tax officials, procurators, and courts at prefectural, regional, and national levels for the sole purpose of collecting delinquent taxes and taking legal action against delinquents and evaders.

FRANK KOWALSKI JR
Colonel, Inf
Deputy Senior Military Govt Officer

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BASIC: Ltr, Hq Kinki Mil Govt Region, File No. 012, 48/LG/T/#5, Subj: Special Report on Delinquent Taxes, Year 1947, dtd 17 JUN 1948

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AG 012 - BA

1st Ind

Hq I Corps, APO 301,

18 JUN 1948

TO: CG, Eighth Army, APO 343

The necessity for vigorous remedial action is indicated since without such, efforts at operational level with personnel available, will produce but temporary and minor results.

J. M. SWING
Major General, USA
Commanding

RESTRICTED

012

KYOTO MILITARY GOVERNMENT TEAM
APO 301 (Kyoto, Japan)

CEH/ejc

091.1

15 June 1948

SUBJECT: Removal of Undesirable Japanese Official

THRU : Commanding Officer, Kinki Mil Govt Region, APO 301

TO : Commanding General, Eighth Army, APO 343

1. In accordance with the provisions of Operational Directive No. 8, your headquarters, dated 3 February 1948, it is recommended that the following Japanese official be removed from office because of incompetency:

Mr. Tomoki Asano, Superintendent of the Sakyo Tax Office of the National Government, Kyoto City.

2. During the course of active surveillance of Japanese tax collections in accordance with O. D. #4, your headquarters, dated 21 January 1948, as amended, it has come to the attention of this team that the above Japanese official has shown incompetency in the administration of his office, resulting in inefficiencies and irresponsible activities of his personnel. The following example of a practice carried on by the Sakyo Tax Office is submitted to illustrate the above.

On 31 January 1948, Ken-Nosuke Hori, a hotel and restaurant owner of Kyoto city, submitted to the Sakyo Tax Office a self-assessment of ¥ 75,304. On 25 February 1948, the Sakyo Tax Office submitted an initial assessment on the income of this party in the amount of ¥ 3,489,800. This initial assessment by the Tax Office was determined by a conference of the Superintendent, Tomoki Asano; the Chief of the Direct Tax Section, Saburo Ishigure; the Chief of the Indirect Tax Section, Tokutaro Kuroki and an Assessor, Naoyuki Yamazaki. The actual amount of the assessment was decided upon by the group by deciding that the gross income of Ken-Nosuke Hori from his restaurant should have been ¥ 7,000,000 35% of which they decided to take as taxes. It was also decided that his income from furnishing lodging and bedding should have been ¥ 2,000,000, 50% of which should be paid as taxes. Another ¥ 39,800 was assessed based on salaries paid. No investigation was made prior to the initial assessment by the Tax Office to determine what the assessment actually should have been. The assessment

Ltr fr KMGH dtd 15 June 48, subj: Removal of Undesirable Japanese Official

091.1

made by the Tax Office was based on rumor or gossip that the hotel and restaurant owner was profiting by operating his business on a blackmarket basis. Reasons given for assessment without investigation was shortage of time and lack of experienced personnel.

Investigation is being conducted at the present time in this case by investigators from the Sakyo Tax Office, and also by the Kyoto Procurators' Office, which is investigating the case at the request of this team. The latest estimate by the Tax Office of the income of Ken-Nosuke Mori is ¥ 435,856.

3. The laxity and inefficiency reported above is typical of the loose handling of the tax reassessments in the above tax office. Most of the reassessments were based on rumor and hearsay evidence which the head of the tax office knew could not be sustained by sufficient evidence to warrant a prosecution in the event that the reassessment was not paid. Reassessments in nearly all cases were merely set high enough on the basis of this insufficient evidence so that negotiations could be made between the tax payer and the tax office for a much lower reasonable figure. This practice has offered many opportunities for bribery and other dishonesties in connection with the lowering of the reassessments to the final agreed figures. Furthermore, this practice has caused the general public to lose confidence in the government at a time when they were hoping the Japanese tax system would be put on a sound financial basis.

4. A report by the Sakyo Tax Office on this case is inclosed.

1-Incl.
Rpt on case of
Ken-Nosuke Mori

HAROLD C. SHEFFIELD
Major GHO
Commanding

BASIC: Ltr, Kyoto Mil Govt Team, File No. 091.1, Subj: Removal of Undesirable Japanese Official, dtd 15 Jun 48.

MS
B
JK

012

1st Ind

Hq Kinki Mil Govt Region, APO 301,

17 JUN 1948

TO: CG, I Corps, APO 301

1. This region has been making a special drive to collect delinquent taxes. After a thorough survey in the field it was found that a large number of delinquents were having their unpaid taxes reduced to a fraction of the original tax office assessment. It was also found that many of the tax officials were indifferent, careless, inefficient, and unbusinesslike in the way they made the original tax assessment.

2. The case reported in the basic letter was selected as an outstanding example, illustrating the criminal inefficiency of the superintendent of Sakyo tax office. The Kyoto team commander was directed to investigate this case and write a special report. Drastic action is necessary to shock by example many of the indifferent and inefficient tax officials in this area. It is therefore recommended that Mr. Tomoki Asano be removed from office under the provisions of Operational Directive No. 8, 1948, because of incompetence.

FOR THE COMMANDING OFFICER:

J. E. ENGELHART
Captain, AGD
Adjutant

1 Incl:
B/c

AG 012 - BA

2nd Ind

JUN 18 1948

Hq I Corps, APO 301,

TO: CG, Eighth Army, APO 343

1. Recommend approval.

2. Good government demands honest, efficient, and effective government officials. Mr. Tomoki Asano, by his action as reported in basic letter, has shown himself to be incompetent and should be removed from office.

FOR THE COMMANDING GENERAL:

WILDER A. JOHNSON
Capt., A.G.D.
Asst Adj. Gen.

1 Incl:
B/c

To : Major Heaton, Kyoto Mil Govt Team
 From : Gaimo Asano, Chief of Sakyo Tax Office
 Date : June 11, 1948

Here is my report on investigation of Kennosuke Hori's actual income you ordered to make, yesterday.

1. In 30 June 1947: Submitted a paper for self-assessment for the month of June.

Amount of Income	¥101,472 (Wage ¥29,472 (Business earning ¥72,000))
Tax paid	¥8,758.60 (First quarter of the year was paid on 16 July 1)

2. In 17 Sept. '47: Submitted a paper for revised self assessment for the month of August.

Amount of Income	¥65,472 (Wage ¥29,472 Business earning ¥36,000)
Tax	¥15,700.80
Tax paid	¥3,952.20 (2nd quarter of the year in compliance with the revised assessment was paid on Sept. 17th)
	¥3,017 (3rd quarter of the year paid on Nov. 17)

3. On Jan. 31, 1948: Submitted a paper of final decision.

Amount of Income	¥75,304 (Wage ¥39,804, business ¥35,500)
Tax	¥16,534
Tax paid	¥833 (4th quarter of the year in compliance with the final decision paid Feb. 5)

4. Decision of Revised Assessment on February 15, 1948.

Amount of Income:	¥3,489,800 (Wage ¥39,804; business earning ¥3,450,000)
Tax:	¥2,777,670
Tax paid:	¥80,000 (advance for revised decision, paid on March 16)
"	¥100,000 (" April 19)
Total of tax paid:	¥196,534
Tax in arrears:	¥2,581,136

5. Progress of revised decision (by Secretary Yamazaki)

According to the consensus of talks of the Union's staff and other dealers of the same trade the person seems to be a fairly good expert in this line of business despite the newly opening of the trade. He transacts mainly with men of means who come by car from Osaka-Kobe area. They are mostly men of taste in tea ceremony. As his business belongs to a high class he has comparatively few clients, though the amount transacted is fairly big. A rumor is also rampant that he deals lots of dyestuffs on blackmarket. As to this there is no convincing evidence yet, but it will

probably turn out to be true. This decision was made through careful considerations on various reports, keeping the equilibrium with the expected highest imposition on the dealers of the same trade in every taxation office, being submitted to the conference of chiefs of the 1st sub-sections and the direct tax sections of the 7 taxation office in the City.

6. March 13, 1948. Received a written request of re-investigation for the re-assessment.

The amount of income as requested: ¥161,007
No entry made about the tax amount.

7. May 3, 1948. To comply with their request, we dispatched Clerical Official Yamazaki to their residence for investigation. And on May 6, Ishiguro, Chief of the Direct Tax Section and Naka, Chief of 1st Unit, were dispatched.

The corrected estimated amount of income: ¥425,856
Tax amount: ¥280,640

The course of our investigation.

Although the books and documents that were presented by the party concerned were made a very rough entry and imperfect, we arranged and adjusted as much as possible and got the above mentioned figure. The above amount is the amount that was summed up in accordance with only the books and documents presented by them. Though there are detected intelligences by which we made our first decision and some reliable informations that have been obtained afterwards, a further investigation is beyond the legal capacity of us tax officials. Having corrected their income amount as above, we have transferred the case to the Kyoto Regional Prosecutors' Office, with respect to the suspect of tax evasion. In case the exact amount of their tax evasion is found by the investigation of the office, we will make an additional amendment thereby.

BASIC: Ltr, Kyoto Mil Govt Team, APO 301, dtd 15 June 48,
file 091.1, subj: Removal of Undesirable Japanese
Official.

AGMGL 091 (Japan)

3rd Ind

Headquarters Eighth Army, APO 343, 15 Jul 1948

TO: Supreme Commander for the Allied Powers, APO 500

1. Request for removal from office of a Japanese tax official in accordance with Operational Directive Number 8, this headquarters, 3 February 1948, and letter, Supreme Commander for the Allied Powers, AG 091.112 (12 Jan 48) GS, is forwarded for your information and consideration.

2. This headquarters concurs in the recommendations for removal contained in the basic letter and preceding indorsements.

FOR THE COMMANDING GENERAL:

1 Incl:
n/c

/s/ R. Schafer
/t/ R. SCHAFER
Lt Col, AGD
Asst Adj Gen

AG 091.112 (15 June 48)GS

4th Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
5 October 1948

TO: Commanding General, Eighth Army, APO 343

1. The Japanese Government was instructed on 23 September 1948 to remove Tomoki Asano, Head of the Sakyo-Ward Taxation Office of Kyoto City from office in accordance with recommendations of basic communication and endorsements.

2. Report of the Japanese Government that removal from office had been accomplished on 29 September 1948 was submitted to this office on 30 September 1948. A copy of this report is attached.

BY COMMAND OF GENERAL MacARTHUR:

2 Incls:

Added 1 Incl

2. Report on Dismissal of
Tomoki Asano.

/s/ J. F. Bradshaw
/t/ J. F. BRADSHAW
Asst Adj Gen

BASIC: Ltr, Kyoto Mil Govt Team, APO 301, dtd 15 June 48, file 091.1,
 subj: Removal of Undesirable Japanese Official.

AGMGL 091 (Japan) 5th Ind

Headquarters Eighth Army, APO 343, 12 Oct 1948

TO: Commanding General, I Corps, APO 301

Attention is invited to the 4th indorsement.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

2 Incls:
 n/c

/s/ R. Schafer
 /t/ R. SCHAFFER
 Lt Col, AGD
 Asst Adj Gen

MG
 Jan

AG 012 - BA

6th Ind

RFS/ys

Hq I Corps, APO 301,

TO: CO, Kinki Mil Govt Region, APO 301

Attention is invited to 4th indorsement and Inclosure 2.

BY COMMAND OF MAJOR GENERAL SWING:

2 Incls:
 n/c

012

7th Ind OCT 18 1948

RFS/ys

Hq Kinki Mil Govt Region, APO 301,

TO: CO, Kyoto Mil Govt Team, APO 301

2 Incls:
 n/c

012

MG
HCS/ejc
JEM

KYOTO MILITARY GOVERNMENT TEAM
APO 301 (Kyoto, Japan)

HCS/ejc

11 June 1948

SUBJECT: Prefectural Electricity and Gas Tax

TO : Commanding Officer, Kinki Mil Govt Region, APO 301

Attached, as inclosure 1, is letter which has been given to this office by the Prefectural Governor stating the position of the Kinki District prefectural governors regarding the prefectural taxes which have been voted on the users of electricity and gas.

1 Incl.
As stated

HAROLD G. SHEPFIELD
Major QMC
Commanding

AG 012 - 20

1st Ind

RFS/lha

Hq Kinki Mil Govt Region, APO 301 24 JUN 1948

TO: CO, Kyoto Mil Govt Team, APO 301

The attached report has been considered, and this headquarters is of the opinion that Military Government is concerned only with surveillance of the procedures used by the Japanese in resolving the final outcome. Subject correspondence shows local government in practical operation under the provisions of the Local Autonomy Law.

BY ORDER OF COLONEL DEVINE:

1 Incl:
n/c

JOSIAH B. MILLER
Major BA
Acting Adjutant

RAF
La

012

HEADQUARTERS
SHIGA MILITARY GOVERNMENT TEAM
APO 25, Unit 3, (Otsu, Honshu)

Special Report
Control Symbol
48/PW/PA/1

LHK/kh

319.1

25 May 1948

SUBJECT: Taxation of Relief Recipients

TO: Commanding General, I Corps, APO 301.
(Attn: Mil Govt Sec)

1. As numerous cases in which apparent unreasonable income taxes have been imposed upon public assistance recipients in this prefecture have been brought to the attention of the Welfare officer, information as to a suitable Military Government attitude or policy regarding proper taxing of this group is desired.

2. In many instances, such taxes have been cancelled through proper review by tax officials, however, many cases such as the following, which are actual, exist:

	<u>Assessed Income Tax Year</u> 1947 (Yen)	<u>Yearly Rate of Present</u> Grant (Yen)
a. Case 1	4,570.00	10,800.00
b. Case 2	900.00	1,800.00
c. Case 3	1,900.00	5,400.00

3. It is recognized that any policy which has the effect of lowering total tax collections should be viewed with caution, still it is felt that some administrative procedure which would prevent taxation of any appreciable percentage of granted relief money is desirable.

E. D. LUGAS
Lt Col. CAV
Commanding

BASIC: Ltr, Shiga Mil Govt Team, 319.1, subj: "Taxation of Relief Recipients", dtd 25 May 48.

AG 319.1 - BA

1st Ind

PB/ys

Hq I Corps, APO 301,

JUN 31948

TO: CO, Shiga Mil Govt Team, APO 25

1. Report is returned for elaboration of issue presented. For example, information is desired on why taxes have been cancelled in some instances but not in others; on what basis tax officials determined the assessments in the cases cited (reference is made to Law No. 27 (Income Tax), 31 Mar 47); if assessments were made because income not reported to welfare officials had been uncovered; and any other information which will indicate the general policy of assistance-recipient taxation.

2. Since the point raised by the report is an important one, it is desired that resubmission be expedited.

BY COMMAND OF MAJOR GENERAL SWING:

WALTER V. HICKEY
C.W.O. U.S.A.
Asst Adj Gen

PB
MGT
JLH

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

FK/lha

012

14 May 1948

SUBJECT: Special Tax Investigation

TO : Commanding Officer, Kyoto Military Government
Team, APO 713

1. Reference is made to Special Report, your headquarters, subject: Grievances of Tax Payers, dated 1 May 1948, pertaining to taxes imposed upon religious persons and religious juridical persons. Further information is desired upon the following items:

a. Interview a minimum of four (4) priests in each of the following listed religious bodies to ascertain how much in taxes each priest as an individual citizen paid during the fiscal year ending 31 March 1948:

- (1) Shinto
- (2) Buddhist
- (3) Christian

b. In the event the religious denomination engages in a commercial enterprise, the object of which is making of profits, they are to pay taxes. It is desired that an investigation be conducted into one or more Shinto, Buddhist, and Christian organizations carrying on a commercial enterprise and ascertain whether they pay taxes and, if so, how much did they pay for the fiscal year 1947-48.

BY ORDER OF COLONEL DEVINE:

J. E. ENGLEHARDT
Captain, AGD
Adjutant

OK
JEM
RB
LA

HEADQUARTERS
SHIGA MILITARY GOVERNMENT TEAM
APO 25 Unit 3 (Otsu, Honshu)

JWL/cpt

6 May 1948

SUBJECT: Tax Program

TO: Commanding Officer, Kinki Mil Govt Region, APO 301

1. An interview with an official of "Foodstuff Corporation", of Otsu, was held on 24 April 1948 at the Otsu tax office with the tax chief and tax surveillance team present.

2. During the course of the interview, it was alleged by the official that the parent concern of "Foodstuff Corporation", Osaka Foodstuff Corporation Branch, located at Osaka has instructed officials of "Foodstuff Inc." to settle other financial obligations before paying taxes. The Corporation Tax due from said concern on 24 April was ¥570,000.

3. It is felt that this alleged policy is not conducive to good government.

4. Forwarded for your information and for any corrective action that may be deemed necessary.

E. D. LUCAS
Lt Col, CAV
Commanding

MG

9PM

BASIC: Ltr, Shiga Mil Govt Team, APO 25 Unit 3, subj: Tax Program, dated 6 May 1948

012

1st Ind

HAT/lha

Hq Kinki Mil Govt Region, APO 301 10 MAY 1948

TO: CO, Osaka Mil Govt Team, APO 25

1. Your attention is invited to basic letter, dated 6 May 1948.

2. It is requested that your tax surveillance team in conjunction with Japanese tax officials inquire into the tax policy and alleged ¥570,000 due from this corporation.

BY ORDER OF COLONEL DEVINE:

J. E. ENGLEHARDT
Captain, AGD
Adjutant

MS
KAG
LA

BASIC: Ltr. Hq Shiga Mil Govt Team, APO 25 Unit 3, subj:
"Tax Program", dtd 6 May 1948

012

2nd Ind

CAP/myt

Hq Osaka Mil Govt Team, APO 25, 7 June 1948

TO: CO, Kinki Mil Govt Region, APO 301

1. Reference is made to the following laws:

a. Government Ordinance No. 74 (Closed Institutions Ordinance) of 1947 which appears in Official Gazette No. 281, dated 10 March 1947.

b. Prime Minister's Office, Ministries of Finance, Foreign Affairs, Commerce & Industry, Transportation, Agriculture & Forestry, Welfare and Justice Ordinance No. 4 of 1947 which appears in Official Gazette No. 490, dated 17 November 1947.

c. Ministries of Finance and Agriculture and Forestry Notification No. 6 of 1948 which appears in Official Gazette No. 564, dated 20 February 1948.

2. The Shiga-ken Shokuryo Eidan (Shiga Prefectural Food Corporation) was designated a closed institution and as a designated business on 20 February 1948 in accordance with the references cited above.

3. The Heisa Kikan Seiri Iinkai (Closed Institutions Liquidating Commission) c/o The Bank of Tokyo, No. 5 Kitahama 5-chome, Higashi-ku, Osaka City which is directly under the Ministry of Finance is in charge of the liquidation of approximately 150 local institutions located in the Kinki Military Government Region and Ishikawa and Mie Prefectures. Commission officials state that the designated business of the Shiga Prefectural Food Corporation ceased on 4 June 1948; that three public notifications for claims against this institution will be made within the next two months; that the expiration date for filing claims against the institution is two months after the first public notification; that tax claims will be handled in accordance with paragraph 4 of reference 1 b above, except for tax obligations incurred after 20 February 1948 which will be paid as liquidating expense at the time of settlement of all claims; that on or about 5 September 1948 payment of claims against the Shiga Prefectural Food Corporation will begin.

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BASIC: Ltr, Hq Shiga Mil Govt Team, APO 25 Unit 3, subj:
"Tax Program", dtd 6 May 1948

4. Attached as inclosure 1 is a copy of a letter approved by ESS, SCAP referre e payment of taxes in conformity with paragraph 4 of reference 1 b above.

5. As the manner of payment of taxes by closed institutions will continue to be a problem to all teams, it is recommended that this information be widely disseminated.

1 Incl:
As noted.

SAMUEL G KELLY
Lt Col, Infantry
Commanding

012 - BA

3rd Ind

HAT/lha

Hq Kinki Mil Govt Region, APO 301 15 JUN 1948

TO: CO, Shiga Mil Govt Team, APO 25 Unit 3

Attention is invited to basic letter and 2nd indorsement.

BY ORDER OF COLONEL DEVINE:

1 Incl:
n/e

J. E. ENGLEHARDT
Captain, AGD
Adjutant

H/S
LA

C O P Y

CLOSED INSTITUTIONS
LIQUIDATING COMMISSION

A -32

To: Liquidation Branch
ESS/PI GHQ SCAP

Tokyo 6 May 1948

SUB: Payment of Taxes

1. We understood that the principle of tax payment in taxes for the period before closure shall be set up as general claims, and that for the period after closure may be paid as liquidation expense.

2. Many taxes, for instance house, land, motor-car, and other national and local taxes cover the periods running through prior to and after date of closure. From the logical viewpoint, it should be divided into two parts at the date of closure and be listed as general claim or paid as liquidation expense accordingly. But in practice in such case we have listed all those taxes as general claims under your instruction verbally given to Property Department.

For instance taxes for and before 1948 fiscal year on the closed institutions closed during 1 January and 31 December 1948 have been set up as general claims.

3. Thus far, some taxation offices, especially local ones, have not quite understood above principle and attempted forcibly to collect taxes from closed institutions. Some closed institutions with designated business, also not quite understanding the principle, had paid them as notified by the taxation offices for which we have instructed them to reverse.

4. We would like to make the practice stated in para 2 an established rule and get all the parties concerned fully understood this rule to avoid such troubles hereafter.

5. Your approval is awaited for the above and for sending copies of this letter when approved to the parties concerned for the purpose of para 4.

CLOSED INSTITUTIONS
LIQUIDATING COMMISSION

S.K./K.K.

Approved by

R. M. Catlin
(Signed)
Liquidation Branch
ESS/PI GHQ SCAP
Dated May 7 1948C. Duga
(Signed)
Vice Chairman

3

incl 1

012

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

19 April 1948

MEMORANDUM:

SUBJECT : Japanese Tax Collections

The Japanese fiscal year ended 31 March, but final accounts are not due until 30 April. Therefore, we will not know the final and accurate figures on tax collections until early next month. The following figures represent the official tabulation for 31 March 1948. Unofficial figures are considerably higher because a number of big tax payers are now paying to avoid attachment and tax sales. The I Corps Z/R is now well into 90% of expectations.

Kyoto	¥ 4,579,866,000	for	87%
Osaka	9,955,374,000	"	76%
Hyogo	6,667,173,000	"	86%
Nara	1,055,034,000	"	92%
Shiga	1,729,993,000	"	126% ✓
Fukui	1,032,783,000	"	99%
Wakayama	1,243,646,000	"	72%
Aichi	6,477,191,000	"	96%
Gifu	1,946,388,000	"	93% ✓
Mie	1,952,858,000	"	112% ✓
Ishikawa	1,317,958,000	"	112% ✓
Toyama	1,222,310,000	"	106% ✓
Fukuoka	6,750,589,000	"	86%
Oita	1,442,468,000	"	97%
Miyazaki	908,036,000	"	99%
Nagesaki	1,898,045,000	"	98%
Kagoshima	1,137,936,000	"	92%
Saga	1,334,461,000	"	116% ✓
Kumamoto	2,496,853,000	"	102% ✓
TOTAL	55,050,932,000	"	89 + %

RS
R. FOSTER SCOTT

See

HEADQUARTERS
WAKAYAMA MILITARY GOVERNMENT TEAM
APO 25

HNR/my

012
371.2-LG

17 April 1948

SUBJECT: Inefficiency of Tax Officials at Tanabe
(Nishimuro-gun, Wakayama Prefecture)

TO : Commanding Officer, Kinki Military Government Region
APC 301
ATTN: Colonel Frank Kowalski

1. Mr. K. KOMORI, Tax Chief at Tanabe city, Nishimuro-gun, Wakayama Prefecture, is considered to be inefficient in office.

2. Recommendations for removal of Mr. K. KOMORI as chief of the Tanabe Tax office has been made to the Osaka Regional Finance Bureau on three separate occasions by Tax Surveillance officers of this Military Government Team:

- a. On 17 March, 1948 by 2nd Lt Philip Nagao
- b. On 27 March, 1948 by 1st Lt William Carlin
- c. On 10 April, 1948 by 1st Lt Hubert Reed

3. On about 2 April 1948, representatives of the Osaka Regional Finance Bureau made an investigation of the Tanabe Tax office (see attached report) but failed to take any positive corrective action.

4. The deficiencies noted by each of the above mentioned Tax Surveillance officers and which were reported to the Osaka Regional Finance Bureau, to substantiate replacement of Mr. K. KOMORI are as follows:

- a. Lacking in knowledge of tax laws and administration.
- b. Hesitant in making decisions.
- c. Takes no authoritative action when such action is warranted.
- d. Under-officials have no confidence in Mr. K. Komori's ability for the job.

5. On 10 April 1948, Lt. Hubert Reed recommended to Mr. K. KOMORI (chief of Tanabe Tax office), and to the Osaka Regional

Subj: Inefficiency of Tax Officials at Tanabe (Nishi-muro-gun, Wakayama Prefecture), dtd 17 April 1948, continued.

Finance Bureau, the removal of six (6) employees of the Tanabe Tax office, due to their reported activities in obstruction to the tax collection program and subversive affiliations. Final action on this recommendation has not as yet been reported to this office.

6. Wakayama Military Government and tax offices in this prefecture have received little cooperation from the Osaka Regional Finance Bureau.

1 Incl:
As indicated.

C. M. LYONS
Lt Col, INF
Commanding

BASIC: Ltr Wakayama Mil Govt Team, APO 25, subj: Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dated 17 April 1948

012

1st Ind

RFS/lha

Hq Kinki Mil Govt Region, APO 301, 25 April 1948

TO: CO, Osaka Mil Govt Team, APO 25

1. Attention is invited to basic letter and particularly to paragraphs 2 and 6 alleging that the Wakayama tax offices have received little cooperation from the Osaka Regional Finance Bureau.

2. OD No. 8 (1948), outlining the procedure for removal of certain Japanese officials, requires the submission of sufficient facts and other evidence to show beyond a reasonable doubt that further retention of the Japanese in public office is undesirable. The operating units of Military Government provide the facts and evidence on which higher headquarters base their conclusions.

3. It is desired that you investigate the situation at the Osaka Regional Finance Bureau and forward your recommendations to this office as soon as practicable.

BY ORDER OF COLONEL DEVINE:

1 Incl:
n/c

J. E. ENGLEHARDT
Captain, AGD
Adjutant

BASIC: Ltr. Wakayama Mil Govt Team, APO 25, subj: 'Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dtd 17 April 1948

012

2nd Ind

CAP/myt

Hq Osaka Mil Govt Team, APO 25, 6 May 1948

TO: CO, Kinki Mil Govt Region, APO 301

1. Conferences have been held with Mr. T. Yoshida, Director of the Osaka Finance Bureau, and his section chiefs relative to the matters set forth in basic communication and 1st indorsement thereto. The actions of the Director of the Osaka Finance Bureau are adequately explained in inclosure 2, attached.

2. Results of this investigation indicate:

a. That on 12 March 1948 Mr. Masami Funabashi, Chief of the Inspection Section, General Affairs Department, Osaka Regional Finance Bureau made an investigation of the Tanabe Tax Office. At that time the chief of the tax office asked to be permitted to resign but action was deferred due to the nearness to the end of the 1947 tax collection year.

b. That the Regional Director acted in good faith and in accordance with established custom in regard to his plans for replacement of the chief and other personnel in the Tanabe office after completion of the 1947 tax collection year (circa 20 May 1948).

c. That actions of the Regional Director were in consonance with his understanding of Japanese Civil Service Regulations.

d. That no evidence in writing to substantiate the charges in paragraph 4 of basic communication was submitted to the Regional Finance Director.

e. That the Regional Directors actions were slow and not in consonance with established American business procedure thus giving an erroneous impression that no action was planned or taken.

f. That the Tanabe Tax Office collected over 100% of its goal of ¥150,697,000.

M6

JPM

BASIC: Ltr, Wakayama Mil Govt Team, APO 25, subj: "Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dtd 17 April 1948

g. That there is no evidence to indicate wilful failure on the part of Regional tax officials to cooperate with the Wakayama Military Government Team.

3. Recommendation is made that:

a. The Regional Director be permitted to continue with his plans for removal of the Chief of the Tanabe Tax Office and other office personnel during the month of May 1948.

b. Requests for removal of Japanese officials be substantiated by statements citing specific facts, names and dates in order that they may be used as evidence against such officials.

2 Incls:
1. n/c
2. Ltr, Osaka Finance Bureau, dtd 4 May 1948

MALCOLM E. CRAIG
Colonel, Infantry
Commanding

012

3rd Ind

RFS/lha

Hq Kinki Mil Govt Region, APO 301 10 MAY 1948

TO: CO, Wakayama Mil Govt Team, APO 25

Attention is invited to 2nd indorsement and added inclosure for further comment and return to this headquarters for further processing.

BY ORDER OF COLONEL DEVINE:

2 Incls:
n/c

J. E. ENGLEHARDT
Captain, AGD
Adjutant

AS
LA

012
Ltr, Wakayama Mil Govt Team, file 371.2-IG, dtd 17 Apr 48.

371.2-IG

4th Ind

OML/jhf

Headquarters, Wakayama Mil Govt Team, APO 25, 18 May 1948.

TO: CO, Kinki Mil Govt Region, APO 301

1. The Tanabe tax office, after close surveillance and almost continual pressure by members of this team, obtained their annual tax quota as of 30 April 1948.

2. The Osaka Regional Finance Bureau did receive from this headquarters sufficient reports and ample information (as stated in basic letter) to warrant the several investigations, which they conducted, of conditions existing in the Tanabe tax office. It is not believed that further reports from this headquarters are necessary.

3. It is believed that the investigations conducted by the Regional office, and pressure exerted by tax surveillance teams from this headquarters, influenced greater effort on the part of the Tanabe tax chief to meet his quota during the month of April, and to quiet, temporarily, obstruction to the tax collection program by the six communist members of that tax office.

4. Reports received on 17 May 1948 state that all six communist employees are still on the job in the Tanabe tax office.

5. Attached hereto (as inclosure 3) is copy of report of police investigation of activities of communist members in the Tanabe tax office.

C M LYONS
Lt Col, Inf
Commanding

3 Incls
- 1 & 2 n/e

3 added - Rpt of police investigation
of activities of communist members
in Tanabe tax office.

SIC: Ltr, Wakayama Mil Govt Team, APO 25, subj: Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dated 17 April 1948

AG 012 - BA

5th Ind

HAT/lha

Hq I Corps, APO 301

JUN 18 1948

TO: CG, Eighth Army, APO 343

1. Subject correspondence delayed at this headquarters to determine the outcome of the investigations by the Japanese Regional Finance Office, and compliance with the plan as stated in par 3a, 2nd indorsement.

2. Telephone conversation, this date, confirmed that the resignation of subject person has been submitted, approved by the Regional Office, and forwarded to Tokyo for final action.

3. This headquarters recommends acceptance of the resignation.

FOR THE COMMANDING GENERAL:

WALTER V. HICKEY
C.W.O. U.S.A.
Asst. Adj Gen

3 Incls:
n/c

012

BASIC: Ltr, Wakayama Mil Govt Team, APO 25, subj: Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dated 17 April 1948.

100/100

.501 241

Wakayama Military Government Team, APO 25, 23 July 1948

TO: Commanding General, Eighth Army, APO 343

The attached forms are being returned in compliance with Operational Directive No. 773, 8th Army, 30 January 1947.

FOR THE COMMANDING GENERAL:

LEWIS D. LUTHER
Major, Cavalry
Executive Officer

3 Incls:
1 - Ltr, Wakayama Govt Team, APO 25, 23 July 1948
2 - Application of WOG MEMORANDUM
3 - Application of WOG MEMORANDUM

AGMGF 012

6th Ind

Headquarters Eighth Army, APO 343, 26 June 1948

TO: Supreme Commander for the Allied Powers, APO 500
ATTN: Economic and Scientific Section

Recommendation made in paragraph 3 of 5th indorsement is approved.

FOR THE COMMANDING GENERAL:

3 Incls:
n/c

R. SCHAFER
Lt Col, AGD
Asst Adj Gen

M6

BASIC: Ltr, Wakayama Mil Govt Team, APO 25, subj: Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dated 17 April 1948. *JDM*

AG 012 - BA

9th Ind

HAT/lha

APR 2 1948

Hq I Corps, APO 301

TO: CO, Wakayama Mil Govt Team, APO 25

1. Attention is invited to 6th and 7th indorsements.
2. You are commended for your alertness in detecting the inefficiency of the former Tanabe Tax Office chief, aggressiveness in insisting upon removal of an incompetent, and your perseverance in carrying the case to its conclusion.
3. Request you convey this message to and commend those persons on your staff who contributed so much to the final outcome.

BY COMMAND OF MAJOR GENERAL SWING:

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

3 Incls:
n/c

M6

012

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

RFS/lha

22 March 1948

SUBJECT: Interim Tax Reports

TO : Commanding Officer, Osaka Military Government Team,
APO 25
Commanding Officer, Kyoto Military Government Team,
APO 713
Commanding Officer, Hyogo Military Government Team,
APO 317
Commanding Officer, Fukui Military Government Team,
APO 713

1. Inasmuch as the major portion of taxes are paid to the Bank of Japan, the Regional Tax Surveillance Team at the Osaka Finance Bureau requests that the following information be obtained from the branch bank in your prefecture:

a. What is the total amount of taxes paid to the bank during the month as of the 8, 15, 22, and 29th of each month for the remainder of the tax surveillance assignment period? The figures are desired by prefectures.

2. The Kyoto Military Government Team will obtain data from the Bank of Japan in Kyoto for Kyoto and Shiga Prefectures. The Hyogo Military Government Team will obtain data from the Bank of Japan in Kobe for Hyogo Prefecture, and the Fukui Military Government Team will obtain data from the Bank of Japan in Fukui-shi for Fukui Ken. These data may be reported by telephone to the Osaka Military Government Team, Legal-Government Division. (Lightning 776, Extension 11).

BY ORDER OF COLONEL DEVINE:

J. E. ENGLEHARDT
Captain, AGD
Adjutant

30.

L.C.

KYOTO MILITARY GOVERNMENT TEAM
APO 713 (Kyoto, Japan)

CEH/ejc

012

19 March 1948
48/LG/T/# 1

SUBJECT: Sabotage of the Tax Collection Program

THRU : Commanding Officer, Kinki Military
Government Region, APO 301

TO : Commanding General, Eighth Army, APO 343

1. At 0900 hours 15 March 1948 the employees of the local tax offices of the National Government went out on a twenty-four hour strike. Some of the tax office workers came to the office at the usual time on the morning of the 15th, but no work was done. By noon all workers had left their offices. Some of the workers presented demands for a one-day leave to be effective on the 15th, but most of them did not.

2. Learning of the plan of the tax office employees to take a one-day forced holiday on the 15th of March, this unit called a meeting of the leaders of the unions from the Kyoto City area on 12 March. At this meeting the importance of the present tax collection program and how the success of this program would contribute to the demands of the union was discussed at length. A discussion of Article 38, Public Law No. 25, dated 26 September 1946, and how a walkout by the tax employees on the 15th of March would violate this Labor Relations Adjustment Law was held. The attitude of the union leaders present at this meeting was that they were taking this one-day leave on orders of their central committee in Tokyo and that that body only would be responsible for violation of any laws. While the responsibilities of the local tax unions was emphasized, the employees did not report for work on the 15th.

3. According to the local union leaders the following factors are responsible for the walkout by the tax unions:

a. Demands of the tax office unions have not been met by the Government. Demands included establishment of minimum pay and raise in tax collection expenditure funds.

b. A renewal of the contract by the National Financial Workers Union and the Finance Ministry have not been made.

c. A revision of the labor union law is desired.

BA 77228

29a

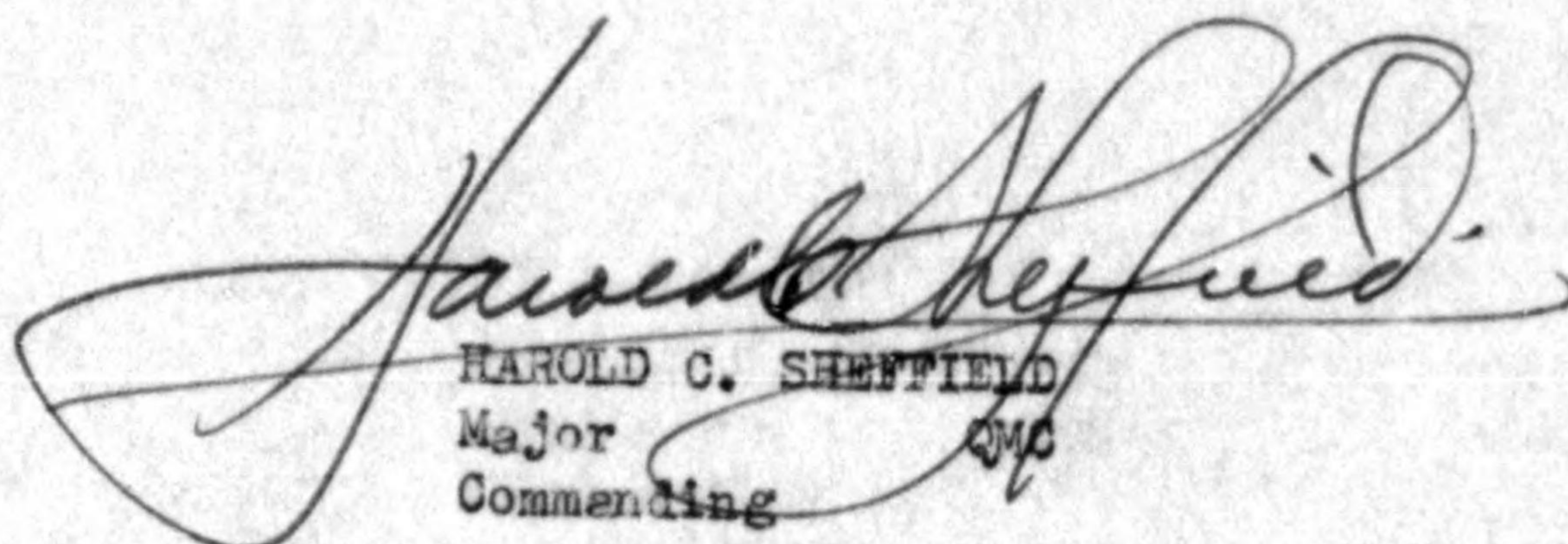
012 Sabotage of the Tax Collection Program

48/LG/T/# 1

4. On the 13th of March members of the Financial Workers Union of Kyoto Prefecture held a meeting and decided that the tax office workers would take a one-day leave on the 15th of March as directed by the central committee. A member of the Kyoto communist party was present and made a speech at this meeting.

5. On the 15th of March the superintendents of the local tax offices National Government received instructions from the regional offices to deduct one-day's pay from the wages of the employees for being absent and to submit reports of further activities by the local tax office workers.

6. In view of the fact that previous directives have stated that any illegal tactics on the part of the tax labor unions and any interference with the tax collection program would be dealt with severely, it is recommended that immediate positive action be taken to carry this out. Military Government units stand to lose considerable face if the support promised in previous directives is not forthcoming.


HAROLD C. SHEFFIELD
Major QMC
Commanding

HYOGO MILITARY GOVERNMENT TEAM
APO 317012.2

11 March 1948

SUBJECT: Applicability of Taxes to Non-Japanese Nationals

TO : Commanding General
I Corps
APO 301
ATTN: Military Government Section

1. Attention is invited to the inclosed letter from Mr. Heinrich van der Laan, a German National residing in Hyogo Prefecture.

2. It is the opinion of this office that the statement of the Ashiya Taxation Office is correct and that Mr. Van der Laan is not exempted by the provisions of paragraph 2, SCAPIN 4938-A, dated 29 November 1947.

3. Clarification is desired regarding the possible exemption of German Nationals from "extraordinary" taxes of this sort.

FOR THE COMMANDING OFFICER:

LOUIS C. HUTTON
Major, Cavalry
Executive OfficerIncl:
Ltr fr Mr. H. Van der
Laan, subj: "Japanese
Extraordinary Tax on
Non-War Sufferers, 7 Mar 48,
w/3 Incls.

MG
R

BASIC: Ltr, Hyogo Mil Govt Team, APO 317, subj: Applicability
of Taxes of Non-Japanese Nationals, dtd 11 March 48.

AG 012 - BA

1st Ind

... RFS/lha

MAR 24 1948

Hq I Corps, APO 301

TO: CO, Hyogo Mil Govt Team, APO 317

1. Recommend that Mr. Heinrich van der Laan be informed that the administration and interpretation of Japanese laws are not functions of Military Government, and further, that he should direct his appeal for relief to the appropriate Japanese authorities.

2. A separate communication requesting clarification of SCAPIN 4938-A (29 Nov 1947) is now in process of preparation by this headquarters. The information will be made available upon receipt by this headquarters.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
n/cWILLIAM A. FRANKS
Capt, AGD
Ass't Adjutant General

HEADQUARTERS
OSAKA MILITARY GOVERNMENT TEAM
APO 25

012
10 March 1948

SUBJECT: Tax Exemption for Parent-Teacher Association

TO: Supreme Commander for the Allied Powers
APO 500
ATTENTION: Civil Information and Education Section
(Thru Channels)

1. The Parent-Teacher Association of Nishinosse Junior High School and three primary schools in Toyono Gun plan to have a musical performance for the purpose of raising funds for their organizations. The price of admission is to be fifty yen.

2. They have contacted local tax authorities in Toyono Gun and also in Osaka City in regard to "tax exemption" for a philanthropic organization such as the PTA. In each instance they were told that money-raising activities of the PTA would be taxable unless they received a directive from the Ministry of Finance.

3. Our Legal Officer, Mr. John Sullivan, advised us to write to you in regard to this matter in accordance with the suggestion made to him by Mr. Chavelle of the Tax Division of ESS. Mr. Chavelle suggested that the Education Officer of the Osaka Military Government Team contact the Education Section of SCAP for the purpose of obtaining the assistance of the Taxation Division in exempting PTA performances from taxation in Osaka.

MALCOLM E. CRAIG
Colonel, Infantry
Commanding

8 c

BASIC: Ltr, Hq Osaka Mil Govt Team, subj: "Tax Exemption for Parent-Teacher Association", dtd 10 Mar 48.

AG 012 - BA

1st Ind

APR 8 1948 GHMc/tn

Hq I Corps, APO 301,

TO: CO, Osaka Mil Govt Team, APO 25

1. See "Civil Education Policy Summary," 20 February 1948.
2. Only charity benefit performances are exempt from entrance fee tax according to Art. 5 Law #44, 29 March 1940 as amended by Law #3, 1943. PTA's are not now recognized as falling in the category of charitable institutions.
3. Requests for early inclusion of schools within this category are now under consideration.

BY COMMAND OF MAJOR GENERAL SWING:

WILLIAM A. FRANKS
Capt, AGD
Ass't Adjutant General

MG
gm
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012

MG
RSD
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HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

RJA/st

5 MAR 1951

000.76

SUBJECT: Transmittal of Mamishibai on Tax Collection

TO: Commanding Officer, Kyoto Military Government Team, APO 713
Commanding Officer, Hyogo Military Government Team, APO 317
Commanding Officer, Fukui Military Government Team, APO 713
Commanding Officer, Osaka Military Government Team, APO 25
Commanding Officer, Shiga Military Government Team, APO 25
Commanding Officer, Nara Military Government Team, APO 25
Commanding Officer, Wakayama Military Government Team, APO 25

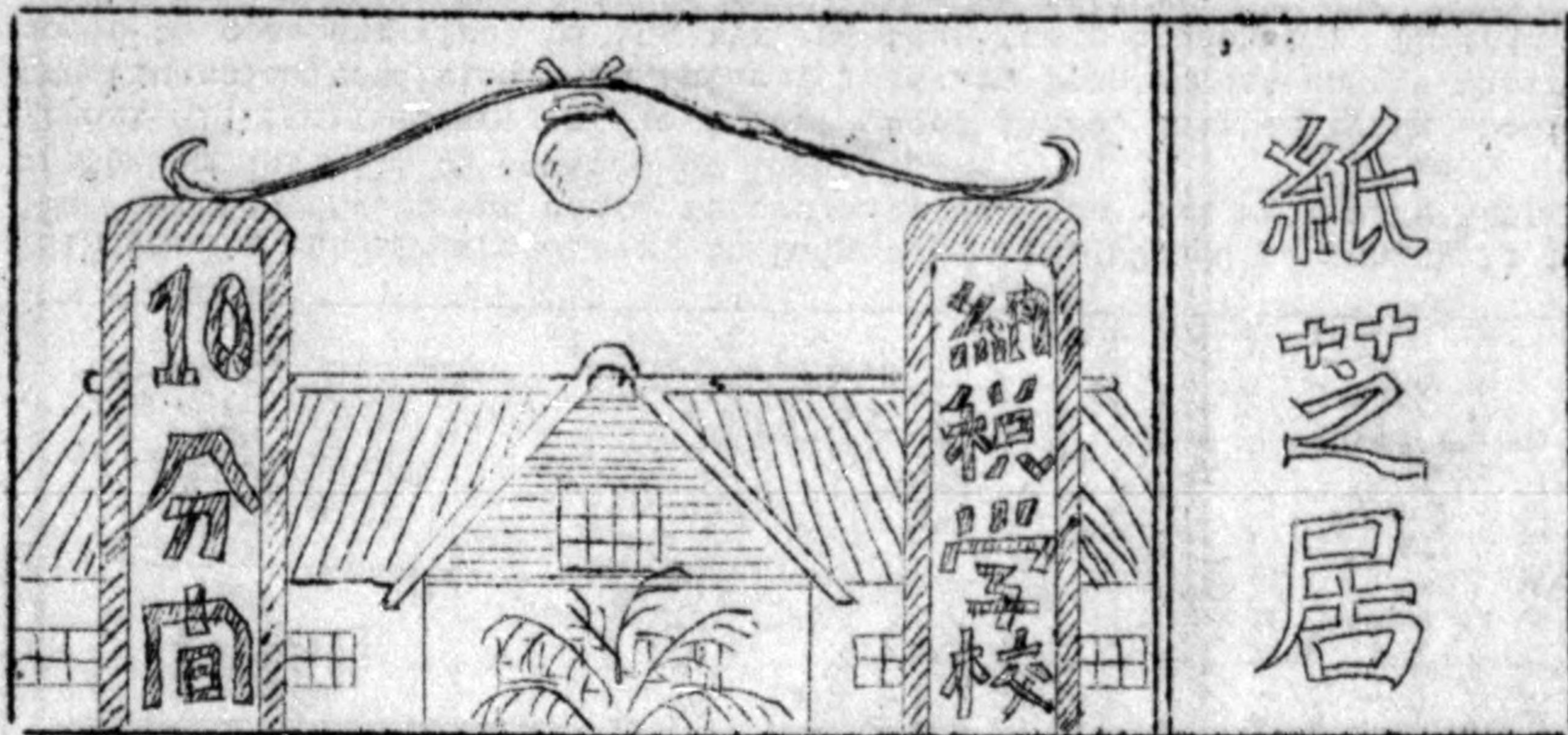
For your information and possible use, attached hereto are copies of "Mamishibai" developed on the theme of tax collection.

BY ORDER OF COLONEL DEVINE:

J. B. BRILLIANT
Capt., AGD
Adjutant

BA 11748

24 117.

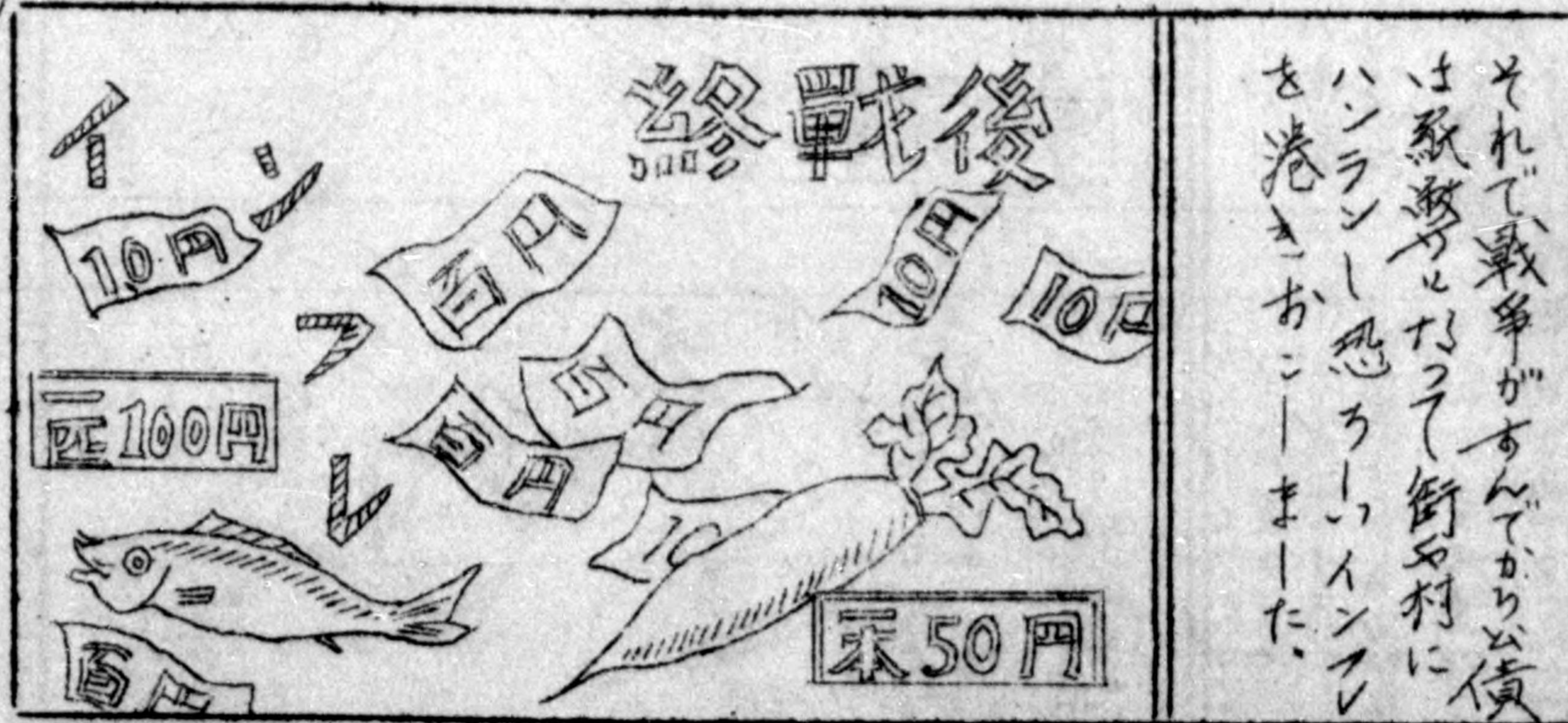


(1)



戦時中の政府は戦争に負けまいとてたうめに公債をバラ撒いて国民から借金をしました。

(2)



それで戦争がすんでから公債は紙幣となつて街や村にハンランし恐ろしいインフレーションをおこしました。

1. During the war-time, the Government issued national bonds at random, fearing to be defeated, and borrowed much money from the people.
2. After the war was over, towns and villages have been glutted with banknotes, hence terrible inflation--as a result of disposition of so much bonds issued at random.

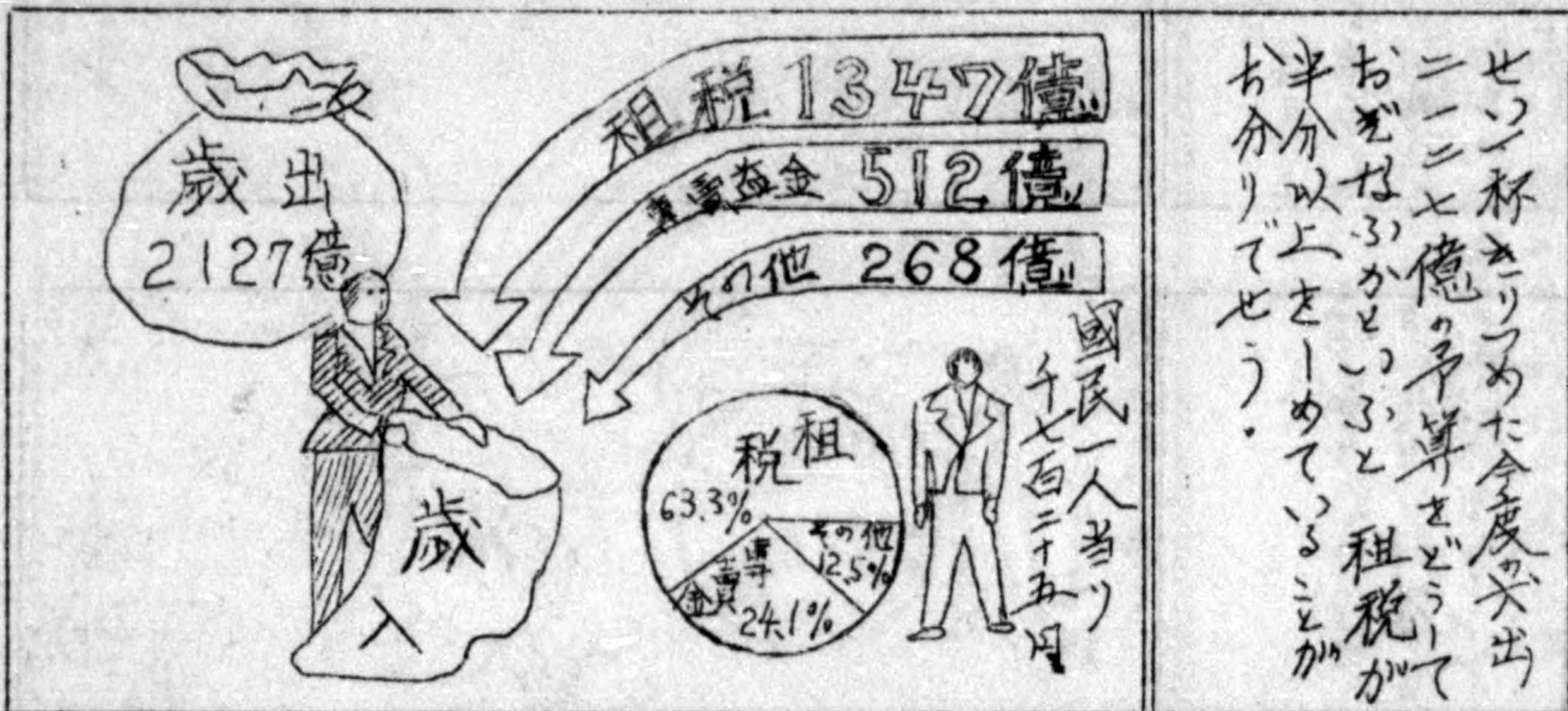
3. We have to set up sound financial administration to defeat this inflation, kick out red-lettered figures of finance, industry, and household altogether. For this purpose, there is no other way but collecting bank-notes over-issued.

(3)



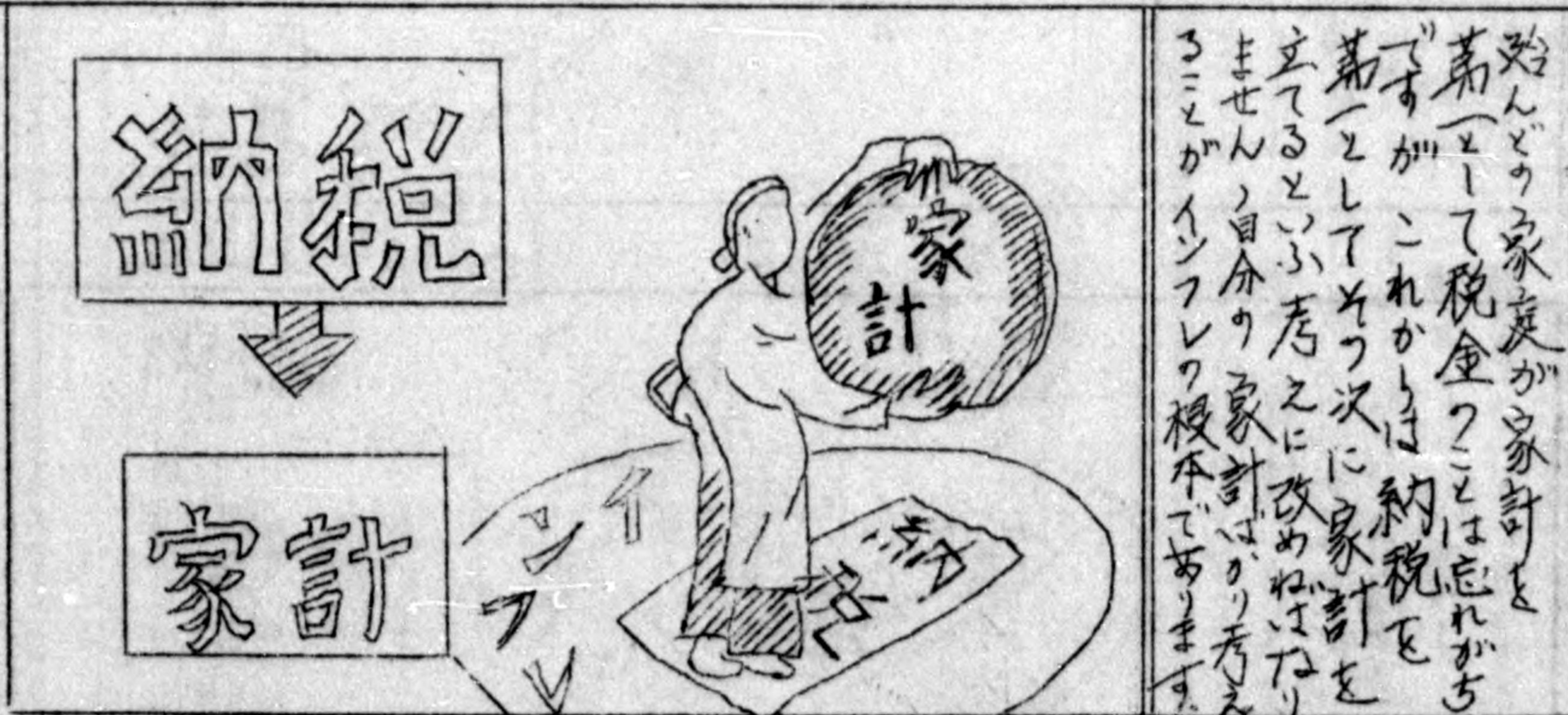
このインフレを止む為には借金
を一切健全財政をうきまて財政
も企業も家計も赤字をリ
飛ばすことです。それには税金
によりおし過ぎた赤字を
国民から集めるより外に途
はありません。

(4)



セソ一杯きつめた年度支出
二一七億の予算をどうして
おこなふかといふと、租税が
半分以上をさしめてゐることか
おかりでせう。

(5)



殆んどどの家庭が家計を
第一として税金のことは忘れがち
です。これが原因は納税を
第一としてその次に家計を
立てるといふ考えに改めねばなり
ません。自分や家計ばかり考
へることからインフレの根本を
断つておこなふべきです。

4. This year's annual expenditure on budget is 212,700,000 yen which is the minimum sum the Government could figure out, and you will know more than half of the amount will be covered by Taxes.
5. Almost all families are apt to forget about taxes, only worrying about their own financial condition. In future, however, people must change their mind so as to consider first paying tax and then their household. To think of only their own household--it is the origin of inflation.

6. Taxes thus collected are to be used as funds absolutely necessary to rehabilitation of Japan such as reconstruction of industry, stabilization of people's life, elevation of culture, etc. as well as for post-war settlement (mostly reparations).

(6)

戦後の後始末 (Post-war aftermath)

税金 (Taxes)

産業再建 (Industry reconstruction)

文化向上 (Cultural advancement)

国民生活の安定 (Stabilization of national life)

集った税金は、戦後の後始末（主として賠償に使用）産業の再建、国民生活の安定、文化の向上など日本再建にどうしても必要で、資金には不足しております。

(7)

翌年1月末日マデ (By the end of January next year)

10月末マデ (By the end of October)

7月末マデ (By the end of July)

4月末マデ (By the end of April)

差額 (Difference)

確定申告 (Final tax return)

納税 (Tax payment)

1/4 (1/4)

所得税は今年から申告制度に改められ先年の所得を申告し、翌年1月末日まで申告書の提出と納税の完了を要する。7月末日と10月末日の二回に分けて納税し、4月末日までに前年の納税額を申告し、前年の納税額との差額を計算し、足りない場合は納税を要する。

(8)

納税 (Tax payment)

田舎 (Rural area)

所得税の更正決定を受けると日歩5%の加算税を徴税 (Upon receiving a correction decision for income tax, an additional tax of 5% per day is levied.)

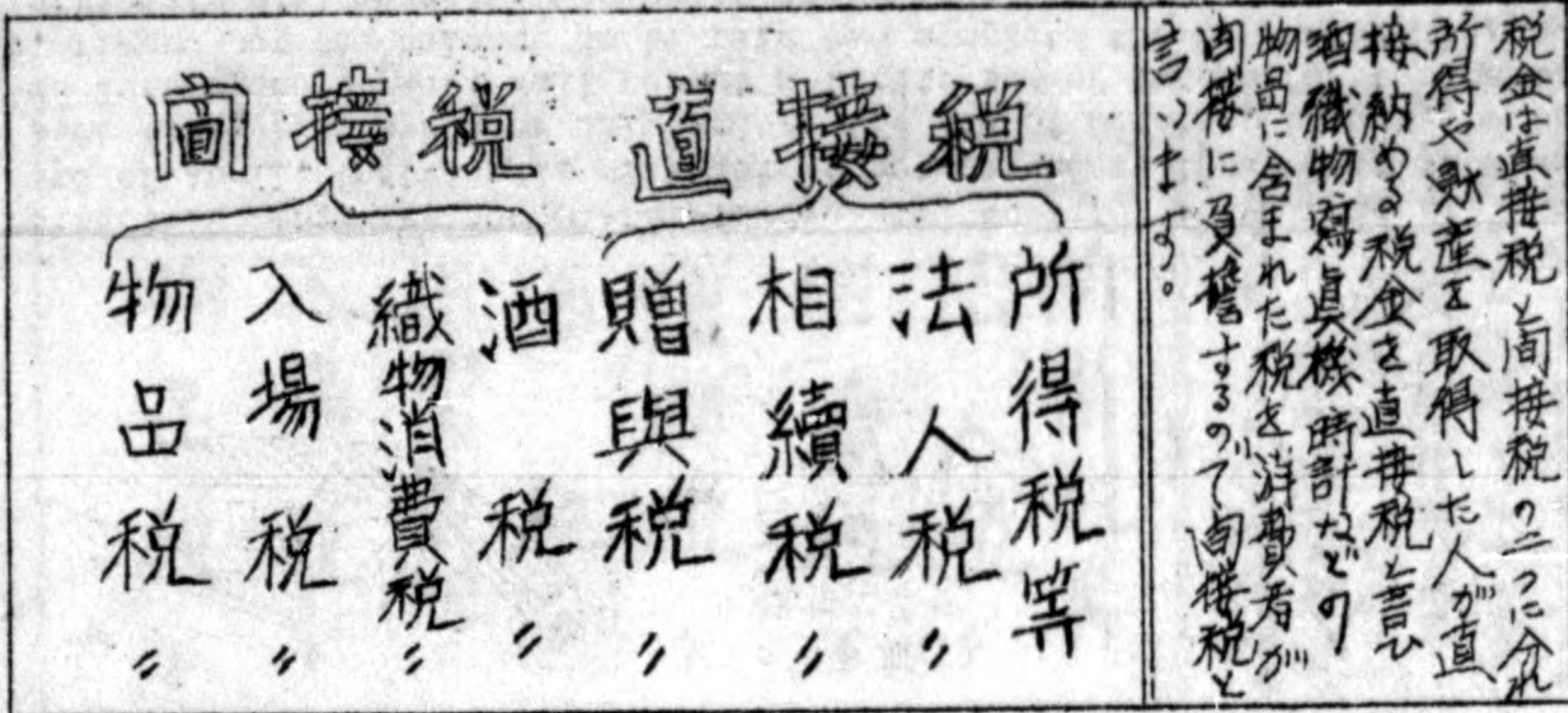
追徴税 (Additional tax)

調査 (Investigation)

不正の申告や或は納税を怠った場合、税務署の調査によって不足税額を徴収します。この調査は手続を更正決定と言いますが、この更正決定を受けると日歩5%の加算税を徴税し、追徴税の罰則を受けます。

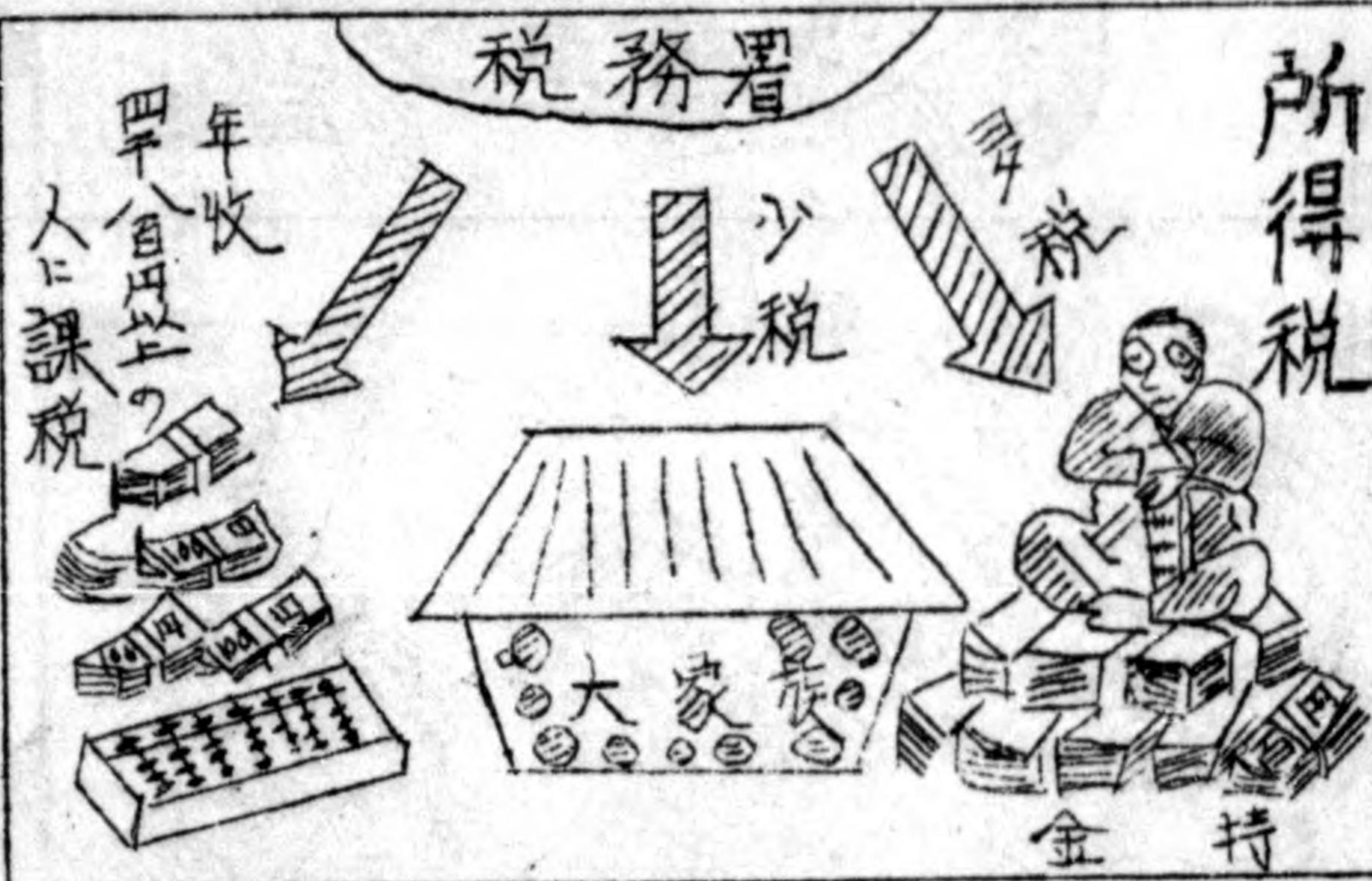
- Starting this year, the income-tax-return will be filed by individuals. By the end of April, individuals will make a return and will pay $\frac{1}{4}$ of the tax at the same time; by the end of July and by the end of October, $\frac{1}{4}$ each; by the end of January next year, will report definite sum of income for the past one year, figure out the balance to be paid and complete the payment of taxes.
- Tax officials will check the cases of those false income-tax returns or non-payment, and collect the sum which should be paid. This procedure is called "Kosei-Kettei" or re-assessment, and in case this procedure is taken, an additional tax of 5 sen % per day or balance should be paid by penal regulations.

(9)



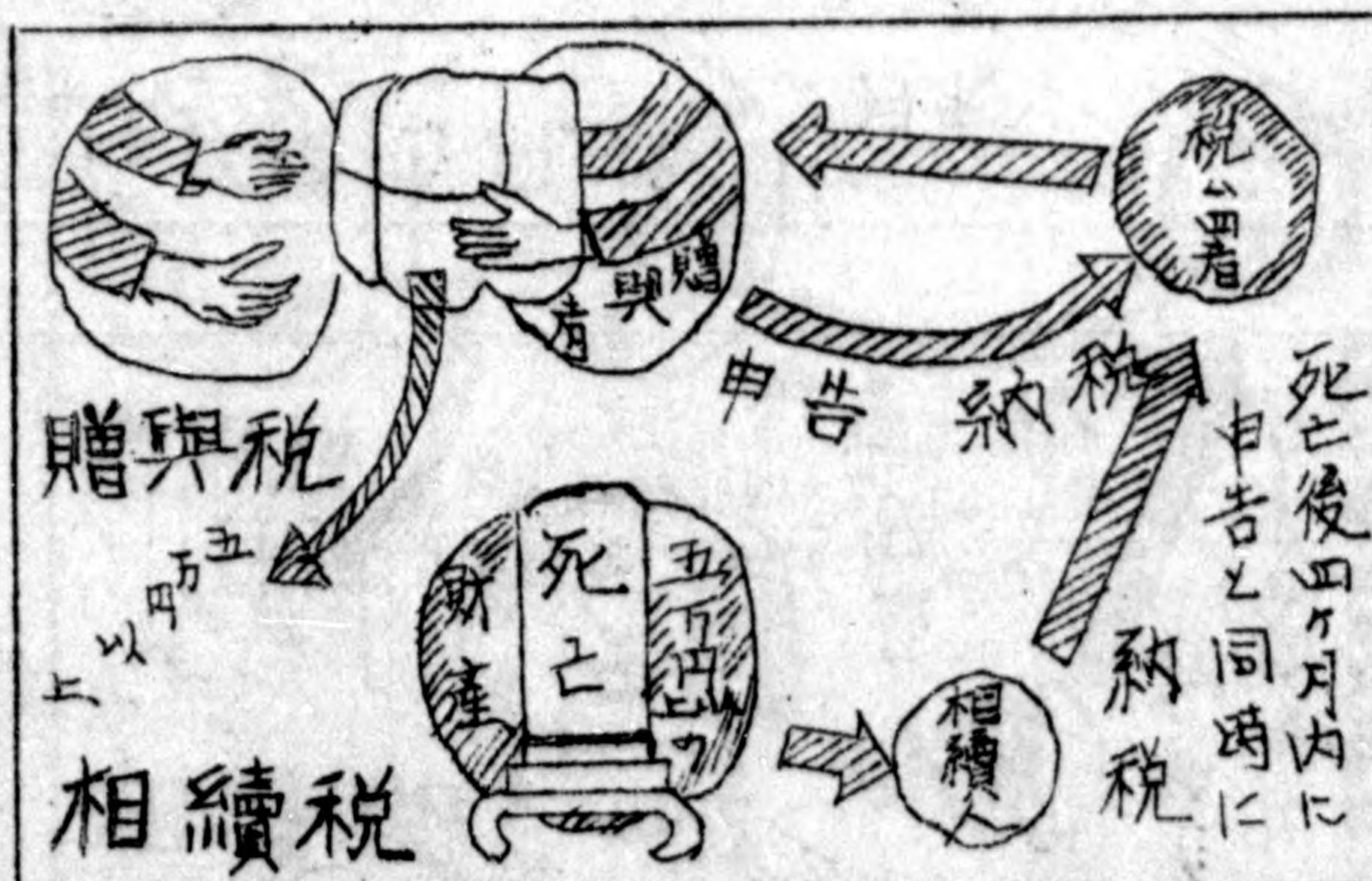
税金は直接税と間接税の二つに分れ
所得や財産を取った人が直接
納める税金を直接税と言ひ
酒税物産税等時計などの
物品に含まれた税を消費者が
間接に負担するのを間接税と
言ひます。

(10)



所得税は年收四千八百円を
越える人に課税され家族の
多し家はそれだけ税を軽減
され金持はその額によつて
多く課税されます。

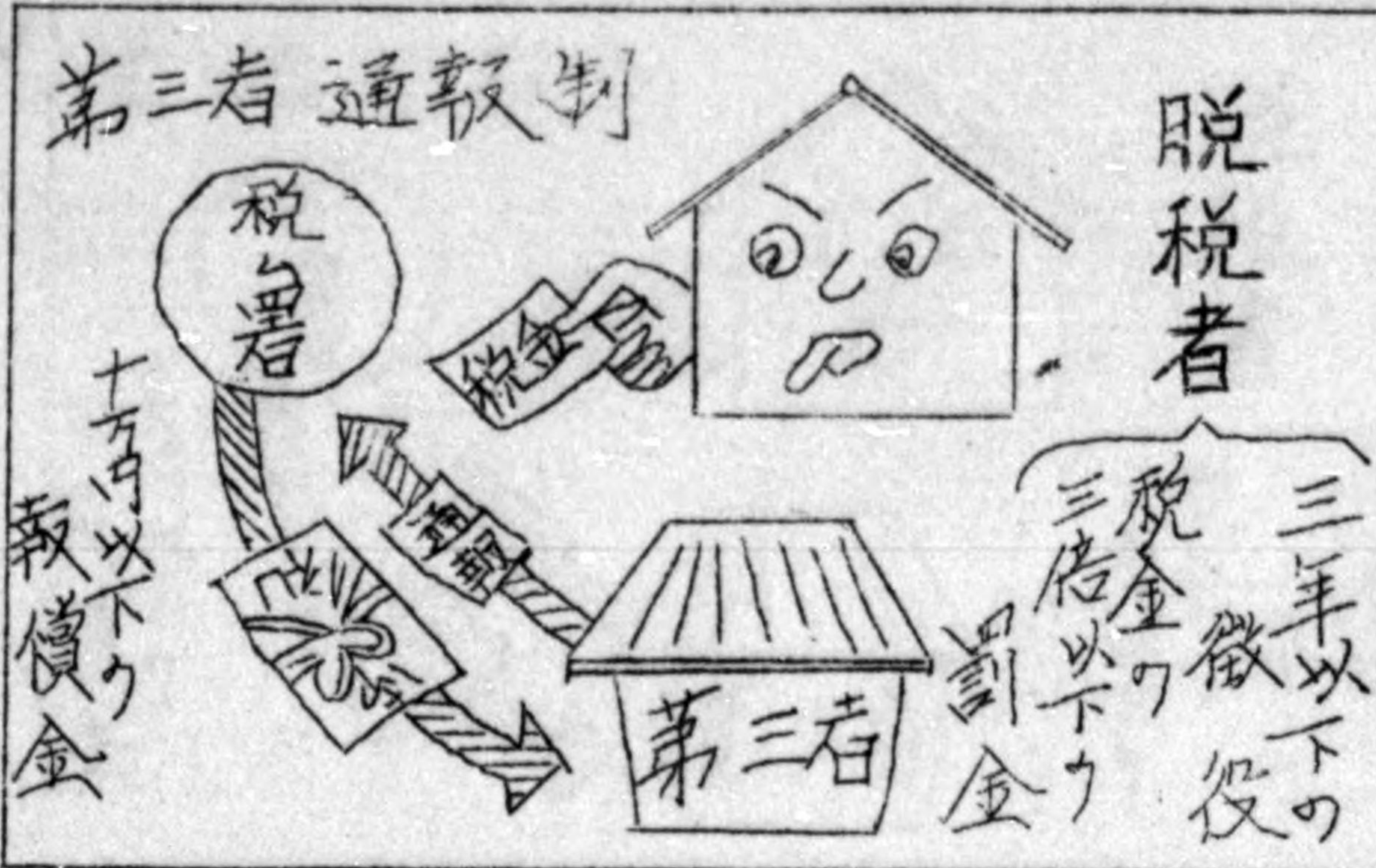
(11)



相続税は五万円をこえる財産を持つて
居る人が死亡した場合、死亡後四ヶ月
内に相続人が申告と同時に納税する
贈與税は贈與をした者に課
税され五万円以上のものを贈與し
た年の翌年一月末まで申告し
て納税します。

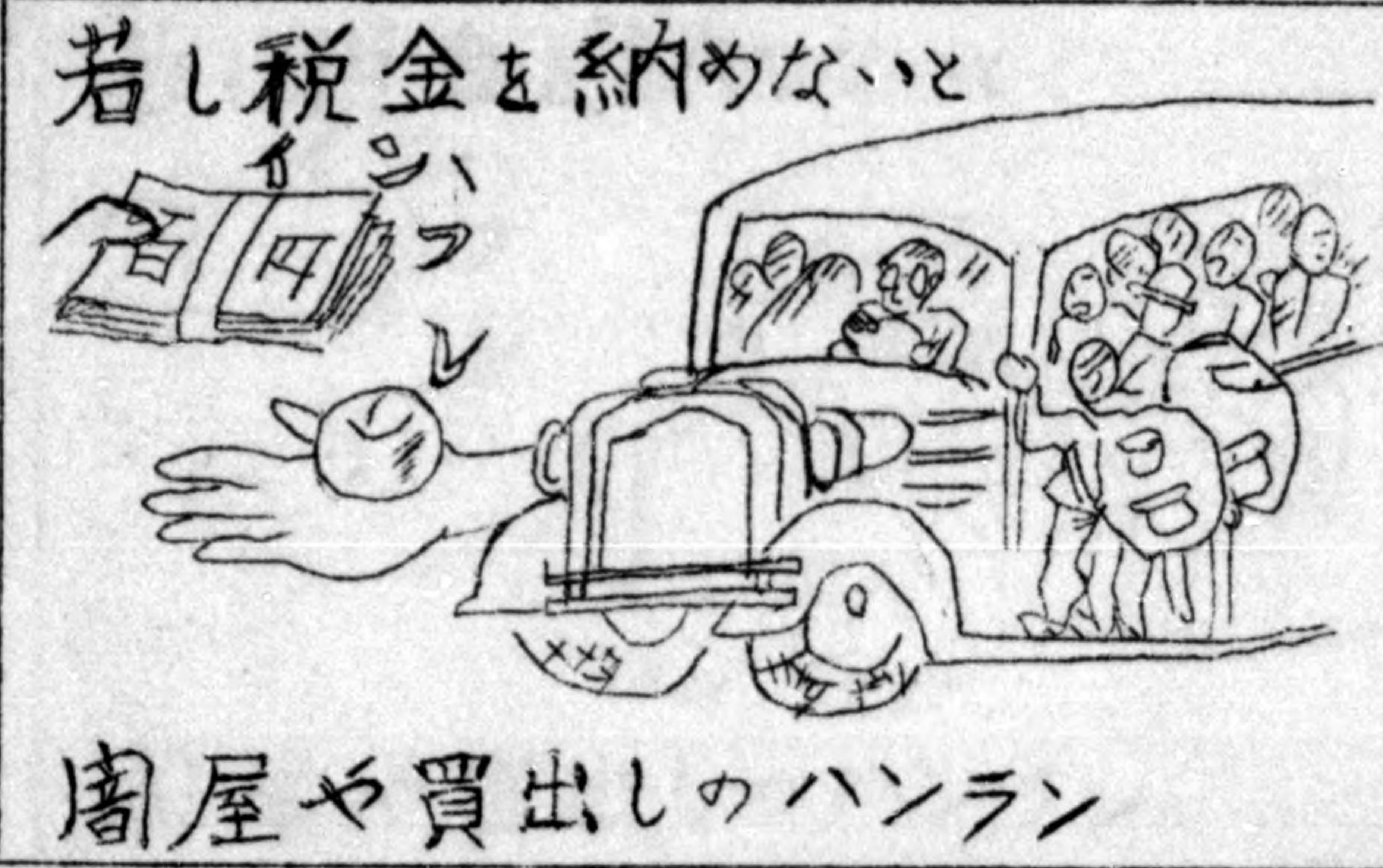
9. Taxes are divided into two kinds, i.e., direct taxes and indirect taxes. Those taxes paid direct by individuals who have income or get a fortune are "direct taxes" and sales taxes imposed on such items as Sake, textiles, cameras, watches which are born indirectly by consumers are called "indirect taxes."
10. An income-tax is imposed on an individual who gets more than 4,800 yen per year. The tax-rate is changed according to number of family members. Those rich people will have to pay more tax according to their fortune.
11. The inheritance tax will be paid by the heir or heiress within 4 months after the death of the owner of the fortune at the time when making report in this connection. The presentation tax will be paid by the giver of the items valued at more than 50,000 yen by the end of January following the year when such an action is taken, simultaneously with the presentation of the report in this regard.

(12)



脱税、或は税金についで不正な
事実を第三者が発見した
場合之を税公署に通知
して徴せしめ之によつて税金を
徴収することがお来た場合は
十万円以下の報償金を通知
者に支給いたします。

(13)



若し税金を納めず目標の
額に達することがお来たか
たらインフレは今日より益々
ひどくなり一方ヤミヤ買出
しは街にも村にもハンラン
するばかりです。

(14)



一日も早く楽しく明るい
日本にする為には是非
国民の義務である納税
を果しましょう。

- 12. In case the third person finds the fact of tax-dodging or something wrong concerning taxes, he will report to the Tax Office. Upon collection of taxes following this report, the reporter will be given a reward up to 100,000 yen.
- 13. If taxes are not paid, and tax-collection cannot reach the amount aimed at, inflation will become worse than now, blackmarketing more active, and towns and villages will be full of illegal food hunting troops.
- 14. Let's pay taxes by all means as our duty, in order to make happy and bright Japan as soon as possible.

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

JEE/ey
MAR 1948

012

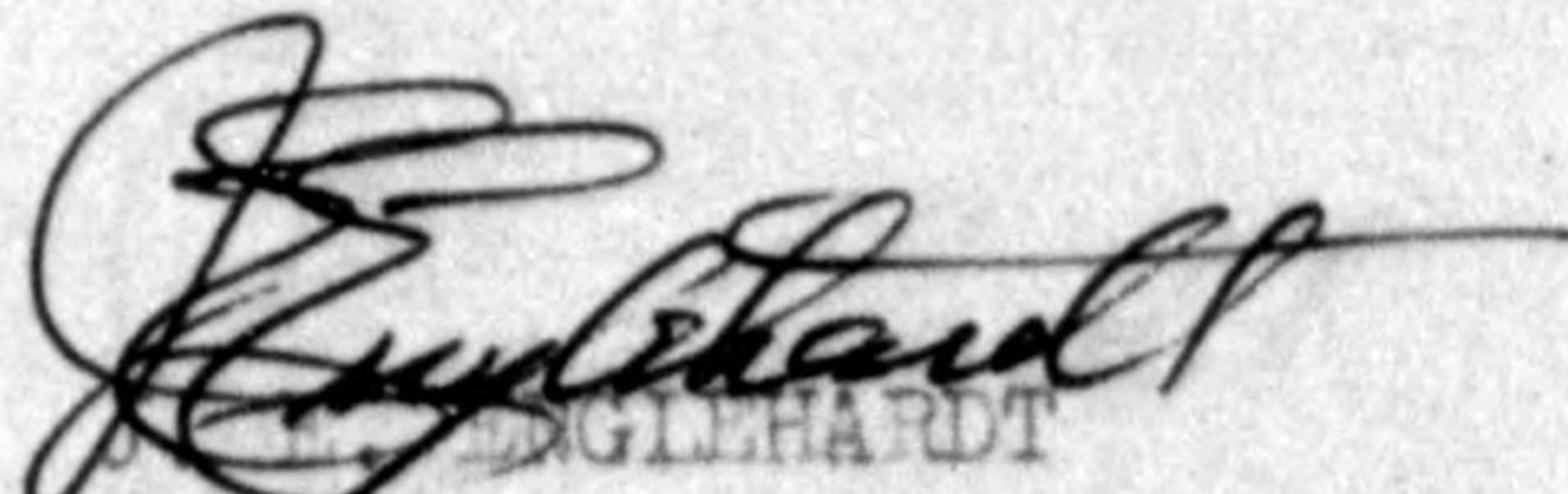
SUBJECT: Transmittal of Income Tax Forms

TO : Commanding Officer
Wakayama Military Government Team
APO 25

1. Transmitted herewith eleven (11) Treasury Department Forms for 1947, 1040 - ES for 1948 and one copy of instructions for 1947.
2. Treasury Department Form for previous years are not available at this time.
3. Request acknowledgement.

BY ORDER OF COLONEL DEVINE:

Incls:
As indicated


J. ENGLEHARDT
Captain, AGD
Adjutant

012

1st Ind

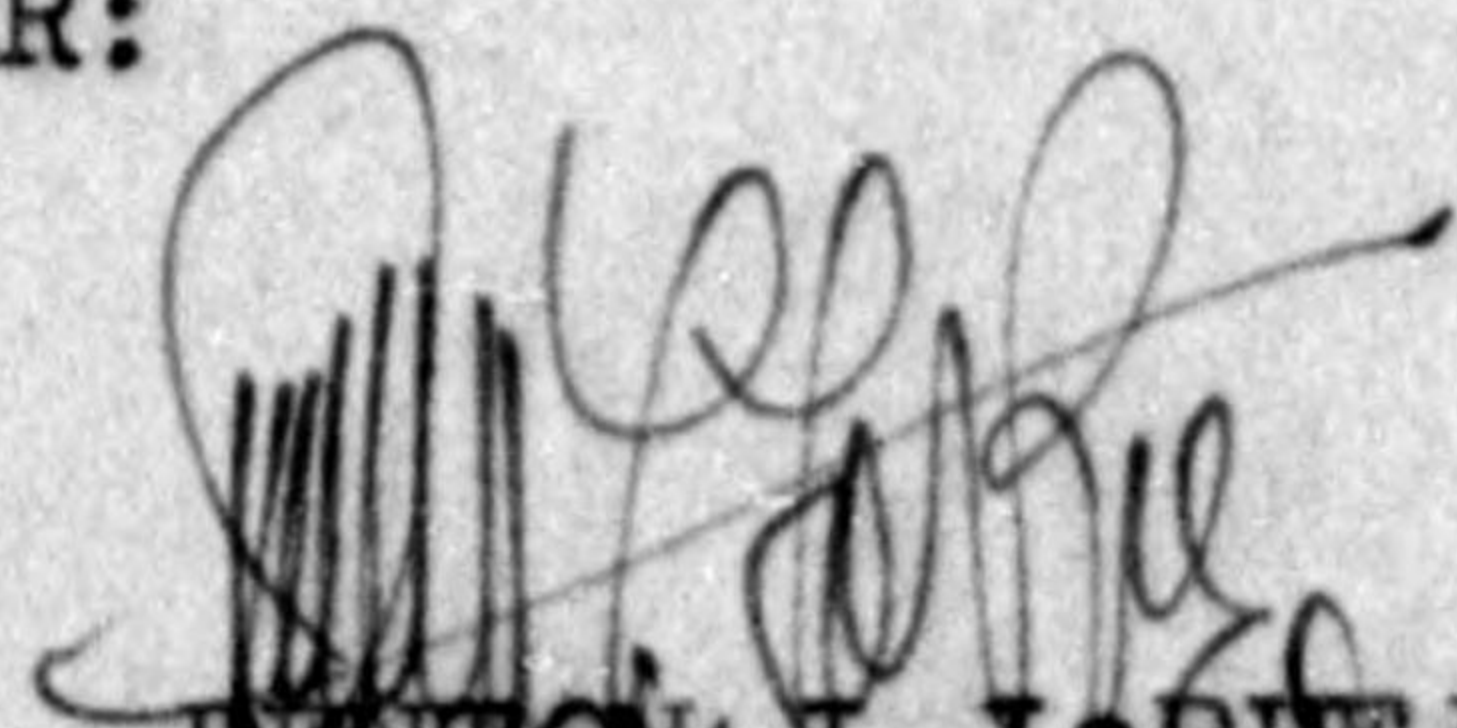
DIL/jhf

Headquarters, Wakayama Mil Govt Team, APO 25, 6 March 1948

TO: CO, Hq Kinki Mil Govt Region, APO 301

Receipt acknowledged.

FOR THE COMMANDING OFFICER:


DENTON L. LARUE
Capt, Ord Dept
Adjutant

23

466

237
1182HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

JEE/ay

2 MAR 1948


012

SUBJECT: Transmittal of Income Tax Forms

TO : Commanding Officer
Shiga Military Government Team
APO 25

1. Transmitted herewith ten (10) Treasury Department Forms 1040, for 1947, 1040 - ES for 1948 and one copy of instructions for 1947.
2. Treasury Department Form for previous years are not available at this time.
3. Request acknowledgement.

BY ORDER OF COLONEL DEVINE:

Incls:
As indicated.

 J. C. ENGEHARDT
 Captain, AGD
 Adjutant

012

1st Ind

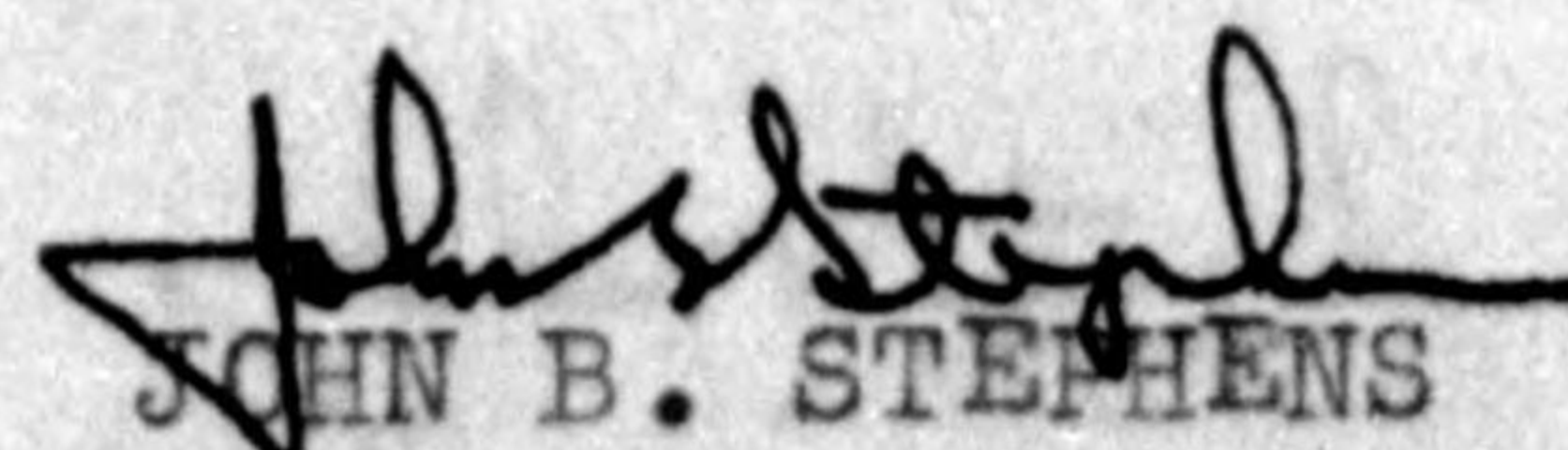
JBS/gj

Hq, Shiga Mil Govt Team , APO 25, Unit 3, 4 March 1948

TO: Commanding Officer, Kinki Mil Govt Region, APO 301

Receipt acknowledged.

FOR THE COMMANDING OFFICER:


 JOHN B. STEPHENS
 Captain, FA
 Asst Adjutant

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

JEE/ay

012

28 FEB 1948

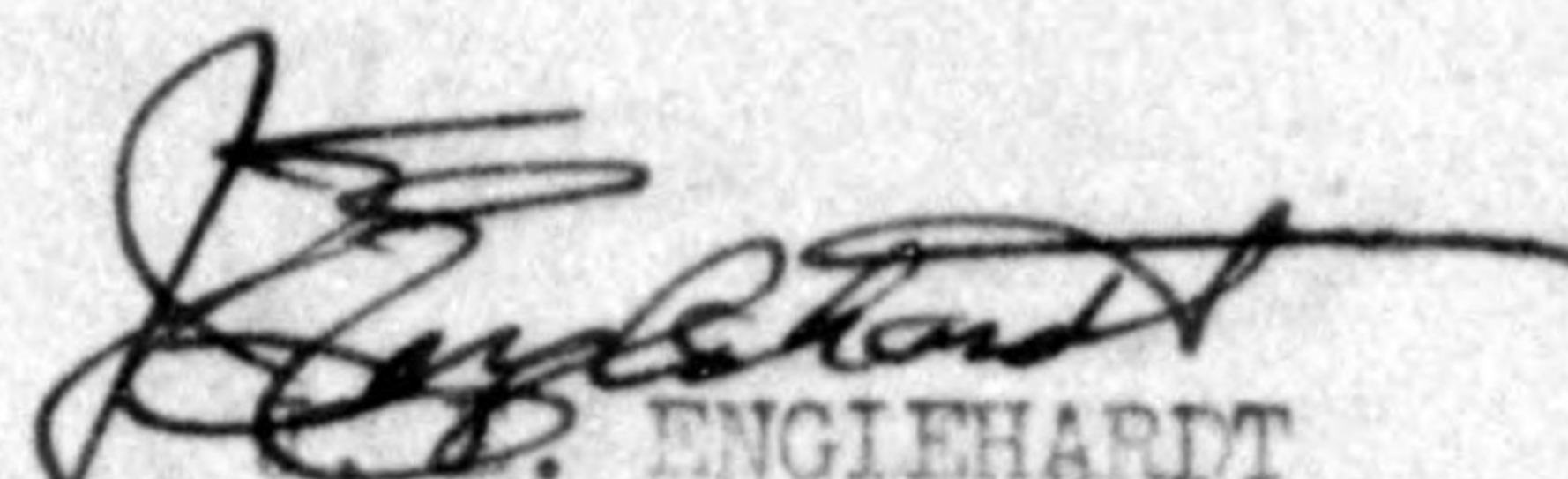
SUBJECT: Transmittal of Income Tax Forms

TO : Commanding Officer
Nara Military Government Team
APO 25

1. Transmitted herewith fourteen (14) Treasury Department Forms 1040, for 1947, 1040 - ES for 1948 and one copy of instructions for 1947.
2. Treasury Department Form for previous years are not available at this time.
3. Request acknowledgement.

BY ORDER OF COLONEL DEVINE:

Incls:
As indicated.


ENGLEHARDT
Captain, AGD
Adjutant

012

1st Ind

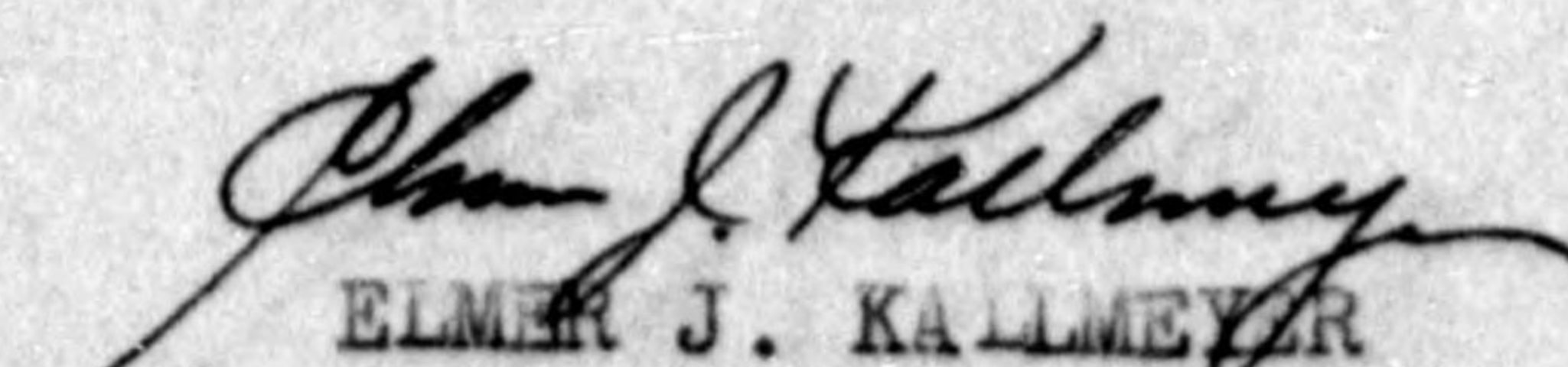
TM/kn

Nara Mil Govt Team, APO 25, Unit 4, 2 March 1948

TO: Commanding Officer, Kinki Mil Govt Region, APO 301

Receipt acknowledged.

FOR THE COMMANDING OFFICER:


ELMER J. KALLMEYER
1st Lt, Inf
Adjutant

HEADQUARTERS
KINKI MIL GOVT REGION
APO 301 (Kyoto, Honshu)

JEE/ay

28 FEB 1948

012


SUBJECT: Transmittal of Income Tax Forms

TO : Commanding Officer
Hyogo Military Government Team
APO 317

1. Transmitted herewith nineteen (19) Treasury Department Forms 1040, for 1947, 1040 - ES for 1948 and one copy of instructions for 1947.
2. Treasury Department form for previous years are not available at this time.
3. Request acknowledgement.

BY ORDER OF COLONEL DEVINE:

Incls:
As indicated.


J. E. ENGLEHARDT
Captain, AGD
Adjutant

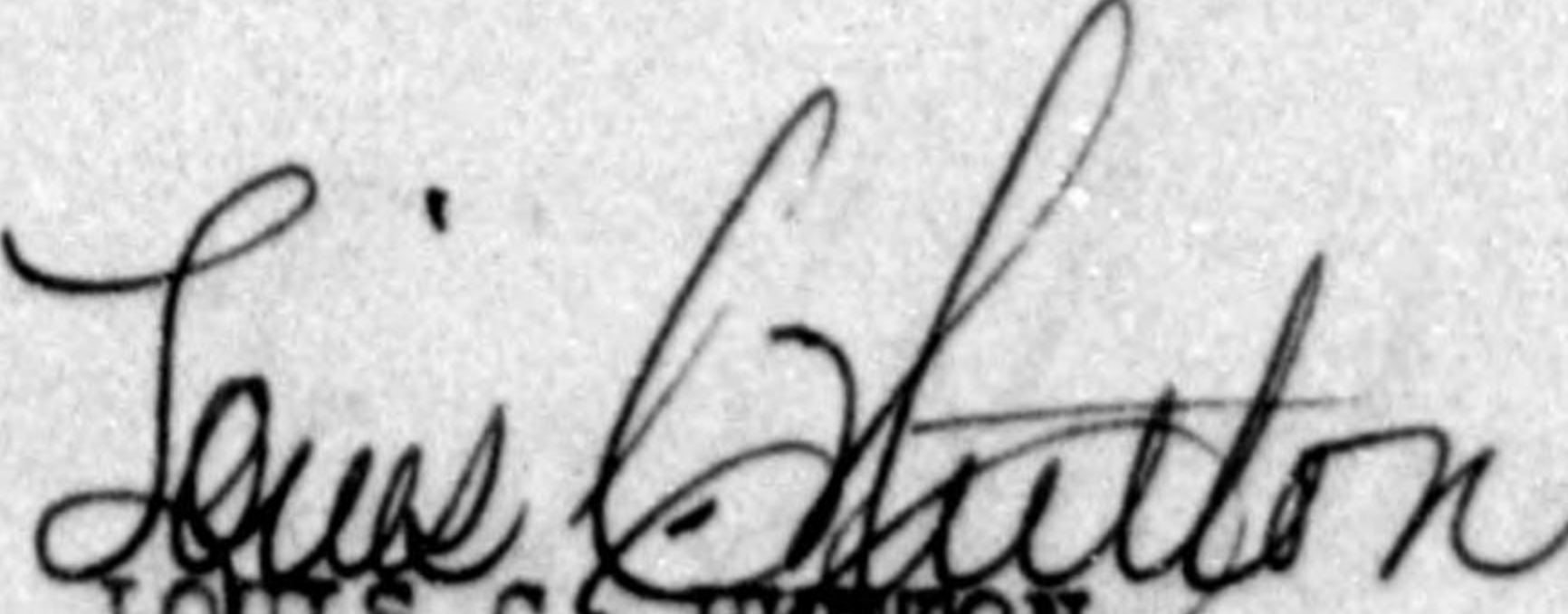
012.2

1st Ind.

HYOGO MILITARY GOVERNMENT TEAM, APO 317, 2 March 1948

TO: Commanding Officer, Kinki Military Government Region, APO 301

Receipt acknowledged.


LOUIS C. BOLTON
Major, Cavalry
Commanding

Incls. w/d