

SCAP DIRECTIVES

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 012.2 (22 Apr 49)ESS/IR
SCAPIN 2001

4 May 1949

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Reorganization of National Tax Administration of the
Japanese Government

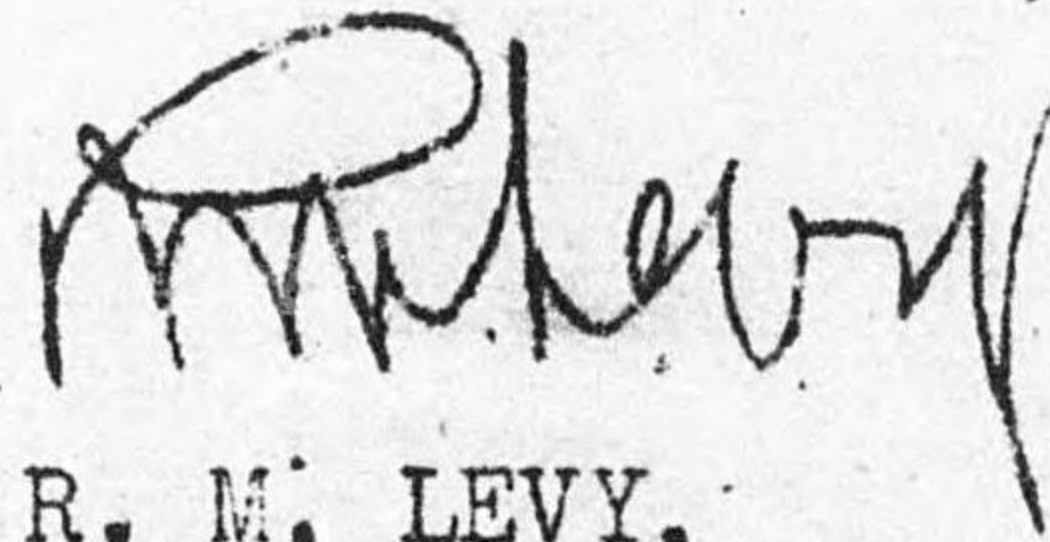
1. The Nine-Point Economic Stabilization Directive of 19 December 1948 directed the Japanese Government to adopt measures designed, among other things, to "accelerate and strengthen the program of tax collection and insure prompt, widespread and vigorous criminal prosecution of tax evaders." These objectives, as well as the objective of fair and equitable tax administration, can be attained most effectively through the establishment of a professional tax system staffed, insofar as possible, with personnel of high moral and professional qualifications.
2. As a part of the program to accomplish these objectives, the Japanese Government will at the earliest possible date take necessary measures to:
 - a. Create within the Ministry of Finance a Tax Administration Bureau as an external bureau for the administration of national taxation. This bureau should have complete authority over its regional and local offices, and be responsible for all national taxation matters except those shown below under b.
 - b. Transfer to the created bureau all taxation functions of the present Taxation Bureau, except those functions dealing with tax legislation and research pertaining to tax legislation. The excepted functions should be retained within a Taxation Research Bureau, an internal bureau of the Ministry of Finance.
 - c. Divorce regulation of all matters alien to taxation from the regional financial bureaus and reconstitute these bureaus as regional tax offices and integral parts of the external Tax Administration Bureau.
 - d. Transfer all functions alien to taxation of the regional financial bureaus to such agencies as the Minister of Finance may designate in accordance with the requirements for regional and district administration and following the policy of simplification and consolidation of governmental activities.
 - e. Retain the Customs Division, now in the Taxation Bureau, within the internal organization of the Ministry of Finance.

AG 012.2 (22 Apr 49) ESS/IR
SCAPIN 2001

f. Provide tax personnel who are competent, qualified and trained, insofar as possible, and adequate in number to administer and enforce vigorously, but fairly, the tax laws of the Government.

3. Direct communication between the Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers, and the Ministry of Finance regarding matters within the scope of this memorandum is authorized.

FOR THE SUPREME COMMANDER:



R. M. LEVY,
Colonel, AGD,
Adjutant General.