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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/af

AG 012 - BA

SUBJECT: Transmittal of a Letter on Tax Collection

MAR 1 1949

TO : Commanding Officer
Kinki Military Government Region
APO 25

Transmitted herewith is a copy of a letter, Headquarters Fukui Military Government Team, dated 1 December 1948, subject: "Bank Savings Accounts for National Taxes". It may be useful in the preparation of report requested in letter, file AG 319.1 - BA, this headquarters, dated 10 February 1949, subject: "Studies of Military Government Programs.

BY COMMAND OF MAJOR GENERAL COULTER:

A. Seipel
A. SEIPEL
Lt Col, AGD
Asst Adj General

1 Incl:
As indicated

08381

(2)
190
1261

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

HEADQUARTERS
FUKUI MILITARY GOVERNMENT TEAM
APO 301 (Fukui, Honshu)

GDI/gn

1 December 1948

SUBJECT: Bank Savings Accounts for National Taxes

THRU: CO, Tokai-Hokuriku Mil Govt Region, APO 710

TO: Commanding General, Eighth Army, APO 343

1. Facts:

a. There has been a failure on the part of the majority of tax payers in this prefecture to satisfactorily plan the payment of their national taxes so that a proportionate amount be paid each quarter throughout the fiscal year rather than wait until the final quarter to meet their tax responsibility. Merchants make stock purchases with business profits and by so doing all available cash is consumed. Farmers fail to consider payment until the crops are collected. A common tendency is to spend great amounts of cash incomes soon after the crops are paid for by the government without giving any thought to tax payment until there is danger of penalty being evoked for delinquency. Consequently, much hardship is encountered by all Japanese tax payers because all funds that are available to them during the last quarterly payment period are used to prevent attachment of property or other penalties.

b. At present there is not much incentive to place money in bank accounts because all interest received from individual deposits in subject to a 20% tax except those accounts for individuals only, under the National Savings Association Plan. Under this sytem all interest on individual deposits of over 30,000 yen are taxable.

2. Proposal:

a. After a study of the problem was made locally by the tax officer he met with the prominent bankers in the prefecture and recommended that a tax savings account plan be installed similar to the "Christmas Saving Account Idea" so popular in the United States. The bankers were enthusiastic so they convened a conference of Prominent Ken Bankers and arrived at the following recommendations and conclusions which were forwarded to this headquarters:

(1) That the Bankers Association petition the Ministry of Finance for approval to establish a "National Tax Savings Account Plan". The interest received by the depositor would not be subject to taxes.

Incl 1

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

(2) That the Ken Bankers Association would publicize the program to all Ken constituants coordinating with the local tax offices.

(3) That each bank would set up a tax advisory section to assist the depositors to prepare their tax returns.

(4) That if possible, a commendation award, similar to those given to villages being first to meet food collection quotas, be given to the bank and the community displaying the best "Tax Savings Account Record".

3. Benefits:

a. If the recommendations were approved by the Finance Ministry the tax payers would have a greater incentive to plan their tax payments.

b. Increased savings in the bank would have a desirable stabilizing effect on the economy.

c. The publicity programs now being sponsored by the Regional Finance Bureau Offices would be greatly supplemented.

d. A more personal approach would be made to each tax payers owing large amounts of taxes by the local bankers.

e. The small amount of revenue which would be lost by not taking interest on deposits in "Tax Savings Accounts" would be greatly outweighed by a more prompt and efficient, well planned tax collection program by the individual.

4. Recommendation:

a. Recommed that the Japanese Finance Ministry study the recommendations made by the Fukui Ken Bankers Association and that they be given approval to install the "The Tax Savings Account Plan" with interest on deposits free from taxation.

/s/ Donald McGrayne
/t/ DONALD McGRAYNE
Lt Col FA
Commanding

Incl 1

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

BASIC: Ltr, Hq Fukui Mil Govt Team, APO 301, dtd 1 Dec 48, Subj: "Bank Savings Accounts for National Taxes."

1st Ind SMF CWM/mi

Hq Tokai-Hokuriku Mil Govt Region, APO 710, 14 Dec 48

TO: Commanding General, I Corps, APO 301

1. Forwarded.

2. This Hq believes that a savings plan encouraged by the banks to meet taxes has merit. District Tax Officials have been encouraged to cooperate with the Bank Officials to promote and encourage tax savings accounts.

FOR THE COMMANDING OFFICER:

/s/ Gerald J. Fico
/t/ GERALD J. FICO
Capt, INF
Adjutant

AG 012 - BA 2nd Ind CH/km

Hq I Corps, APO 301, Dec 30 1948

TO: CG, Eighth Army, APO 343

This headquarters endorses the proposed plan. It will enable taxpayers to plan and meet payment.

FOR THE COMMANDING GENERAL:

/s/ Chailie Ramsey
/t/ CHAILIE RAMSEY
C. W. O. U.S.A.
Asst. Adj Gen

Incl 1

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

AGMGF 012 3rd Ind

Subject: Bank Savings Accounts for National Taxes (1 Dec 48)

Headquarters Eighth Army, APO 343

TO: Supreme Commander for the Allied Powers, APO 500
Attention: Economic and Scientific Section,
Internal Revenue Division

This headquarters concurs in the recommendation made in the basic letter only with respect to the savings plan itself. The recommendation to make the interest received by the depositor tax exempt is believed to be unsound and contrary to the Japanese tax laws.

FOR THE COMMANDING GENERAL:

/s/t/ MONROE N. HINEY
Major, AGD
Asst Adj Gen

Incl 1

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

Ltr, Hq Fukui MG Team, subj: Bank Savings Accounts for National Taxes, 1 Dec 48

AG 012.2 (1 Dec 48) ESS/IR 4th Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500, 15 February 1949

TO: Commanding General, Eighth Army, APO 343

The Taxation Bureau of the Japanese Finance Ministry is now studying a similar plan which will be applied nation-wide. Concurrently, the question of exempting interest on such tax savings accounts by appropriate legislation is to be considered.

BY COMMAND OF GENERAL MacARTHUR:

/s/t/ J. W. WILLIAMS
Major, AGD
Asst Adj Gen

AGMGF 012 5th Ind

Headquarters Eighth Army, APO 343

TO: Commanding General, I Corps, APO 301

1. Forwarded for information and files.

2. This headquarters is extremely interested and welcomes worthwhile suggestions such as the saving plan for tax payments suggested by the basic letter.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

/s/t/ MONROE N. HINEY
Major, AGD
Asst Adj Gen

Incl 1

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

BASIC: Ltr, Hq Fukui MG Team, dated 1 Dec 48, subj: "Bank Savings Accounts for National Taxes".

AG 012 - BA 6th Ind FFA/tk

Headquarters I Corps, APO 301,

TO: Commanding Officer, Tokai-Hokuriku Mil Govt Region, APO 710

Your attention is invited to the 5th indorsement.

BY COMMAND OF MAJOR GENERAL COULTER:

Incl 1

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

af/dcf

1 March 1949

AG 014 - BA

SUBJECT: Transmittal of Japanese Letter

TO: Commanding Officer
Kinki Military Government Region
APO 25

1. Attached herewith, for your information and such action as deemed necessary, a letter from a Japanese taxapayer reporting violation of tax laws.

2. This is a matter pertaining to your command.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ A Seipel
/t/ A SEIPEL
Lt Col, AGD
Asst Adj General

1 Incl:
as indicated

014 1st Ind FAF/dcf

Hq Kinki Mil Govt Region, APO 25, 3 March 1949

TO: CO, Kyoto Mil Govt Team, APO 301

1 Incl:
As indicated GM

FILE

(1)

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

February

	SUBJECT	FROM	TO	DATE
1.	Reveised Tax Collection Goals	KMGR	ICorps	7 Feb 49
2.	Surveillance of Japanese Tax Administration	8th Army	OMGT	8 Feb 49
3.	Additional Allocation of Gasoline for Taxation	I Corps	8th Army	8 Feb 49
4.	Letter of Transmittal	KMGT	I Corps	11 Feb 49
5.	Tax Surveillance Program	KMGR	All Team	
6.	Transmittal of Japanese Letter	I Corps	KMGR	12 Feb 49
7.	Tax Collection	I Corps	I Corps Z/R	15 Feb 49
8.	Status of Japanese Tax Collections for the Fiscal Year 1948-49	I Corps	I Corps Z/R	16 Feb 49
9.	Letter of Transmittal	SMGT	KMGR	16 Feb 49
10.	Removal of Tax Officials	SMGT	KMGR	18 Feb 49
11.	Transmittal of Japanese Letter	I Corps	KMGR	23 Feb 49
12.	Surveillance of Japanese Tax Administration (Osaka Regional Finance Bureau)	KMGR	8th Army	
13.	Transmittal of a Letter on Tax Collection	I Corps	KMGR	25 Feb 49
14.	Commendation	SMGT	OFM	26 Feb 49

Feb

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

012

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

AG 012 - BA

SUBJECT: Transmittal of a Letter on Tax Collection

FEB 25 1949

TO : Commanding Officer
Kinki Military Government Region
APO 25

Transmitted herewith is the original and one copy of a letter left by Mr. Mangerich for study at this headquarters.

BY COMMAND OF MAJOR GENERAL COULTER:

Charles Ramsey

1 Incl:
Ltr to Mr. Mangerich (in dup)

Charles Ramsey
C. W. O. U.S.A
Asst. Adj Gen

(13)
257 08213

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

(1)

(1) Re Tax payers Democratic Union – Organised by the Communists.
Sometime ago my friend Mr Isamu Kitayama, member of the Osaka City Assembly, complained to me that the above Union, which aims at the reduction of its members taxes, and for which many people are joining, is most dangerous to the sincere tax payers. Osaka City Assembly is quite powerless for their activities. In fact this Union is at present very active all over Japan. They hold many members even in a tiny village remote from big town. I will explain why.

(A) We, as individuals, are very powerless in many respects. We go to the tax-office for complaints or for some explanation but either by reason of the tax officials are too busy or too many persons are awaiting, or for both reasons, we are very often unable to talk the matters to our hearts contents. Hence we come home quite dissatisfied. Once we become the members of the Union, the staffs of such Union act as our agents, and in many cases the results are very satisfactory. It is the well known fact that the tax-officials are very weak against the Union. Why so?
Some explanations – Union Staffs are familiar with the names and home addresses of the tax officials, and always after them. Young officials may be entertained by some factory owners or others in a local inn or hotel. Once the Union staff find out these facts they will never forget.

(B) New members of the Union will furnish them with many valuable informations.

(C) In some tax offices there are communists and/or their sympathizers. (It is understood there are more communist sympathizers in the Ministry of Finance than any other ministries.)

Incl.

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

(2)

(2) Some complaints against tax administration.

(a) Tax officials must be more accurate, more attentive in book-keepings or their entries.

(a) Re special tax for non-war-damaged properties. (Hisensaisha Tax) I furnished my statement as owner of war-damaged properties in Jan. 1948, for which a paying order, as non-damaged, was received in August (after nearly eight months!) last year. They corrected their entry according to my complaints.

(b) Some time ago one of my relatives was ordered to pay the House Owner's tax. (Kaoku-tax) The house in question had been sold to another many months ago. (Tax-officials were careless in checking their entry.)

(c) Many persons complain they receive fresh paying order for taxes already paid in. On this occasion if the payers fail to produce the relative "receipt", there have no alternative but to pay again.

(2) We ought to be given "Quiet corner" in Tax office so as to talk matters.

Generally we talk standing or sitting beside their desks for ten or twenty minutes. They say very often they are too busy.

(3) They must not hold Union (Labor) meeting on business hours.

Some time ago I went to a local tax office to pay my tax. They were holding such meeting upstairs with their Chief alone sitting downstairs in "Chief's room." I had to wait for some time. Hence lost my last train for home.

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

(4) We wish them to be more thoughtful for what they are doing.

Recently one of my relatives has received a paying order for the balance of the inheritance tax for ¥90.000. for which annual payment for five years had been allowed due end of January each year.

Their statement says " Your annual payment hereby cancelled according to Article no_, item no_. you are requested to pay the outstanding balance ¥90.000 at once by Feb. 5th 1949. " This statement was received about ten days before the fresh due date (Feb 5th). It was afterwards found that as from Jan 1st this year additional tax 10 sen per day due to the payer of this tax. Therefore the tax officials thought it was best for the payer to pay the balance at once.

They ought to have given some explanations to the payer to the above effect.

(5) We ought to be given free access to the head, or chief of section, of the tax office.

It is generally understood that the staff of the office does not like us to talk matters direct with the chief. If such matters are not settled amicably at the lower standard we sometime want to talk direct with the head of the office.

(6) They must show us that the taxes are reasonably spent.

Re Town tax (cho-tax or district tax). Each town charge us town taxes. I hear complaints very often from the villagers to the effect that the village officials, or some limited persons (town committee members, etc) spend money unreasonably. Their meetings, conferences always followed

Incl,

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

(4)

by Enkai" (Dinner Parties). To avoid such misunderstanding, town officials ought to publish detailed report of incomes and expenditures of the town.

(7) Their revised decision (Kosei-Kettei) must be reasonable.
At present amounts of taxes are mostly decided by the tax office. This is a hard task almost next to impossible. Especially when they hold many towns and villages under them. Complaints arise when their revised decisions are not fair and reasonable.

(a) re Business of closed restaurants, or dinner parties in local Hotels, etc. (Ryo-in-Kinshi)
Polices fine for violation of such business. Tax offices presume they are operating this sort of business as before and charge heavy tax.

(b) Basis to estimate the amounts of income varies according to the opinions (?) of each tax office.
In Osaka in a ward (District) mid-wife's income estimated at ¥400 per baby, in B ward ... ¥1,000 per baby.
Why so?

(c) I hear very often in local towns that the taxes on those who have easy access to the chief of the tax office are un-reasonably small.
For example – these textile goods manufacturers (chiefly cotton) in ~~Kaizuka district~~ (~~Wakayama~~ Osaka), Hojo (Hyogo) Nishiwaki (Hyogo) are quite well off. Legal price of such goods (~~cotton goods~~) are about ¥1,000 per piece (Ittan) while black market price about ¥10,000 to ¥15,000.
~~They are said to have made lots of money by~~ side sales (Yokomagashi) of such goods.
Polices and tax-officials around them are said to be under their control.

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

(5)

(8) I fear if the tax office jurisdiction is too big at present. The task of revised decision (Kosei Kettei) is very hard for the young officials. I know they face many difficulties. I suggest for the local tax office to open sub office in a corner of each town office (machiyakuba) to be operated by a few tax officials in order to familiarize themselves with conditions and current problems around them.

△ Question of taxes is most important and vital at present in our country. As I mentioned before, the members of the Tax Payers' Union are steadily increasing all over Japan. I hope that the tax officials would make their revised decision of the amounts of taxes in the most reasonable method. Alike in big towns or in hamlets surrounded by mountains, all of us sincerely hope that the amounts of taxes be fairly and reasonably estimated and collected, because we are afraid of the communist infiltration.

Incl 1

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

Reports Control
Symbol: MG-13

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka,Honshu)

HLM/km

012

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

TO: Commanding General
Eighth Army
APO 343
ATTN: Military Government, Finance & Civil Property Section
INFO COPY TO: CG, I Corps, APO 301

Pursuant to provisions of Operational Directive #48, Headquarters Eighth Army, 17 August 1948, information is submitted as follows:

1. Tax collections in the Kinki Military Government Region:

Total Collections to 31 Dec 48	¥ 32,519,297,000
January Collections	7,901,386,000
Total Collections to 31 Jan 49	40,420,683,000

2. Major problems of tax administration within the region:

a. One of the great shortcomings appear to be lack of coordination between tax offices. A qualified Japanese national will be hired to accompany the military government surveillance officers. It will be his responsibility to observe all aspects of tax office administration upon his visits. Based on his report of observations, recommendations will be made to the tax chiefs for the adoption of sound and efficient practices observed and elimination of such wasteful and inefficient methods as appears feasible.

b. Lack of adequately trained personnel makes it impracticable to concentrate enforcement efforts and extract equitable tax revenues from the best potential sources of revenue; generally wealthy Japanese nationals and foreign nationals, black marketeers, and large companies. Tax chiefs apparently continue to pursue paths of least resistance, virtually extorting money from defenseless small taxpayers, compromising large reassessed cases for fractions of proper revenue, and generally taking only passive measures to effect collections of self-assessed taxes. Personnel problem makes it

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

more expedient to avoid complicated cases and concentrate on the many smaller cases with a bare minimum of litigation and prosecutions recommended.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt., CE
Adjutant

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

012

24 Feb 49

file

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/es

AG ~~014-BA~~

SUBJECT: Transmittal of Japanese Letter

TO: : Commanding Officer
Kinki Military Government Region
APO 25

1. Attached is a letter from a Japanese tax payer reporting the violation of tax laws by a brewer.

2. Forwarded to your headquarters as a matter pertaining to your command.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ A Seipel
/ t/ A SEIPEL
Lt Col, AGD
Asst Adj General

1 Incl:
n/c

014 1st Ind FAF/def

Hq Kinki Mil Govt Region, APO 25, 11 Feb 49

TO: CO, Kyoto Mil Govt Team, APO 301

GM

1 Incl:

n/c

11

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

012

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

23 February 1949

AG 012 - BA

SUBJECT: Transmittal of Japanese Letter

THRU: Commanding Officer
Kinki Military Government Region
APO 25

TO: Commanding Officer
Kyoto Military Government Team
APO 301

1. Inclosed herewith is an unsigned letter from a Japanese Taxpayer.

2. For your information and such action as deemed necessary.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ William A Franks
/t/ WILLIAM A FRANKS
Major, AGD
Asst Adj Gen

1 Incl:
Jap Ltr & translation

012 1st Ind FAF/def

Hq Kinki Mil Govt Region, APO 25, 25 February 1949

TO: CO, Kyoto Mil Govt Team, APO 301

1 Incl:
n/c

GM

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

040

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

18 February 1949

SUBJECT: Removal of Tax Officials

TO: Commanding Officer
Kinki Mil Govt Region
APO 25.

1. It is requested that immediate action be taken to remove Yoshio Suzuki, chief of direct tax section and Tadashi Takahashi, chief of indirect tax section of the Hachiman National Tax Office.

2. The conduct of these public officials has been such that it has caused criticism of the tax program by a great number of people. The manner in which these two men conduct themselves both during business hours and off duty time was the subject of public discussion the Citizens' Public Hall Meeting in Hachiman on 13 January 1949. The chief of the Hachiman Tax Office says he cannot discipline or remove these men, as they have powerful friends in the Osaka Finance Ministry. Reports of the misconduct of these officials attached as inclosures one to six.

3. The Communist Anti-tax Activities are centered in the territory over which the Hachiman Tax Office has jurisdiction, and the misconduct and dereliction of duty on the part of these tax offices is a serious threat to the successful operation of the Tax Collection Program.

6 Incls
As indicated

E. D. LUCAS
Lt Col, CAV
Commanding

10

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

BASIC: Ltr, Shiga Mil Govt Team, APO 25-3, subj: "Removal of Tax Officials", dtd 18 Feb 49

012 1st Ind HHJ/sy

Hq Kinki Mil Govt Region, APO 25, 5 Mar 49

TO: CG, I Corps, APO 301
ATTN: Mil Govt Section

1. This headquarters concurs in the request contained in basic letter and recommends the removal of the tax officials named.

2. Supplementary investigation reports were requested of the Osaka Regional Bureau. Summary copy and recommendation of Bureau's investigation is inclosed herewith. The complete record discloses numerous parties attended by these officials and basically substantiates the allegations contained in basic correspondence.

BY ORDER OF COLONEL O'MOHUNDRO:

HARRY H. JACKSON
1st Lt Inf
Asst Adjutant

7 Incls:
Added 1 incl
7. OFB Report

File

1249

sy

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

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

16 February 1949

SUBJECT: Letter of Transmittal

TO: Commanding Officer
Kinki Mil Govt Region
APO 25.
(Attn: Adjutant)

Transmitted herewith is the WDAGO Form 67-1 of Capt Charles Wenner, O-1549172 Shiga Mil Govt Team.

1 Incl
As indicated

E. D. LUCAS
Lt Col, CAV
Commanding

201.61 1st Ind GM/mb

Hq Kinki Mil Govt Region, APO 25, c/o PM, San Francisco, Calif.

TO: TAG, Dept of the Army, Wash 25, D.C.

Forwarded.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt, CE
Adjutant

1 Incl:
n/c

9

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

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

8 March 1949

SUBJECT: Letter of Transmittal

TO: Commanding Officer
Kinki Mil Govt Region
APO 25.
(Attn: Capt Minarik)

Transmitted herewith are the WDAGO Forms 67-1 of 1st Lt Edmund G. Boll 01297482, 1st Lt James R. Brazzel A0693542 and 1st Lt William A. Roemer 037665, Shiga Mil Govt Team

3 Incls
As indicated

E. D. LUCAS
Lt Col, CAV
Commanding

201.61 1st Ind GM/mb

Hq Kinki Mil Govt Region, APO 25, c/o PM, San Francisco, Calif., 17 Mar 49

TO: The Adjutant General, Department of the Army, Washington 25, D.C.

Forwarded.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt, CE
Adjutant

3 Incls:
n/c

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

FOR FILE

FOR FILE

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/af

AG 012 - BA

16 February 1949

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

TO : See Distribution

FOR FILE

1. Inclosure No. 1, a table of the Status of Tax Collections for the period 1 April through 31 January was compiled from reports submitted by military government teams having direct supervision over regional offices of the Japanese Ministry of Finance.

2. The annual goal as shown in the inclosure includes all taxes collected by the Regional Tax offices. The stamps for the sales transaction tax are purchased by Japanese merchants from the post office so the figures for the goal of that tax are excluded from the column. As many of the Japanese taxes are not delinquent until one month after the close of the fiscal year, the period goal as of 31 January is the fraction ten-thirteenths of the annual goal.

3. To emphasize the importance of achieving 100% collections, paragraph 3, letter, AG file 012-BA, this headquarters, dated 28 December 1948, subject, "Tax Collections", is repeated:

> "Military personnel and equipment of military government teams may be used to the extent necessary, provided no section is made inoperative, to successfully accomplish the tax collection program. If, after exhausting the means at his disposal, a commander requires assistance, he will request it promptly of his next higher commander. Regional commanders should make necessary temporary adjustments within their regions before applying to Corps headquarters."

4. Collection of the self assessed income tax seems to be the major obstacle to achieving the mission. While many long range plans for better

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

collections may be offered, such as Education, etc., the problem is immediate. Team Commanders will exploit every means available to them including the publicity of the trials of flagrant violators to bolster this phase of tax collection.

BY COMMAND OF MAJOR GENERAL COULTER:

C. C. CARTER
Colonel, AGD
Adjutant General

1 Incl:
Status of Jap. Tax Collections, 1 Apr - 31 Jan.

DISTRIBUTION:
2 ea PG Region & Team
I Corps Z/R
3 AG Rec, I Corps
3 8th Army, MG Sect.
3 F & CT Sect.

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

Inclosure 1

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 31 JANUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 31 Jan	(3) TOTAL COLLECTED 1 Apr - 31 Jan	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
CHUGOKU REGION					
Shimane	* 1.182	1.093	92	1.536	71
Yamaguchi	4.217	3.825	91	5.482	70
Hiroshima	5.389	4.502	83	7.006	64
Okayama	3.402	2.678	79	4.423	60
Tottori	.826	.639	77	1.074	59
TOTAL	15.016	12.737	85	19.521	65
KYUSHU REGION					
Nagasaki	2.964	2.570	87	3.853	67
Fukuoka	11.651	10.018	86	15.146	66
Saga	1.917	1.628	85	2.492	65
Miyazaki	1.405	1.174	84	1.827	64
Oita	2.203	1.668	76	2.864	58.2
Kagoshima	2.603	1.957	75	3.384	57.8
Kumamoto	3.844	2.710	70	4.997	54
TOTAL	26.587	21.725	82	34.563	62.8

* Billions of Yen

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

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 31 JANUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 31 Jan	(3) TOTAL COLLECTED 1 Apr - 31 Jan	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
KINKI REGION					
Shiga	2.143	2.110	98	2.786	76
Hyogo	12.275	10.458	85	15.958	65
Kyoto	8.558	6.892	80	11.126	62
Osaka	22.496	17.981	80	29.245	61
Wakayama	2.294	1.633	71	2.982	55
Nara	1.751	1.213	69	2.276	53
TOTAL	49.517	40.287	81	64.373	62.6
TOKAI REGION					
Toyama	2.303	2.229	97	2.994	74
Fukui	1.373	1.234	90	1.785	69
Ishikawa	2.352	1.953	83	3.057	64
Mie	2.968	2.347	79	3.858	61
Aichi	13.388	10.482	78	17.404	60
Gifu	3.089	2.392	77	4.016	60
TOTAL	25.473	20.637	81	33.114	62.3

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

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 31 JANUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 31 Jan	(3) TOTAL COLLECTED 1 Apr - 31 Jan	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
SHIKOKU REGION					
Kagawa	1.755	1.606	91	2.281	70
Tokushima	1.338	1.018	76	1.739	59.5
Ehime	2.634	2.025	77	3.424	59.1
Kochi	1.523	1.152	76	1.980	58
TOTAL	7.250	5.801	80	9.424	61.6

RECAPITULATION

CHUGOKU REGION	15.016	12.737	85	19.521	65	1
KYUSHU REGION	26.587	21.725	82	34.563	62.8	2
KINKI REGION	49.517	40.287	81	64.373	62.6	3
TOKAI REGION	25.473	20.637	81	33.114	62.3	4
SHIKOKU REGION	7.250	5.801	80	9.424	61.6	5
I CORPS Z/R	123.843	101.187	85.5	160.995	62.8	

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

AG 012 - BA

15 February 1949

SUBJECT: Tax Collections

TO : See Distribution

1. References: a. Ltr, this headquarters, file AG 012-BA, dtd 28 Dec 1948, subject: Tax Collections

b. Memo, this headquarters, dated 21 Dec 1948. (inclosed)

2. It has come to the attention of this headquarters that the Japanese tax offices are using a "Point System" to determine whether a tax violator should be prosecuted. The system has a point evaluation for such things as: former tax evasion, amount of delinquency, type of tax evaded, etc. Thirty (30) points is believed to be the critical score.

3. This system is not recognized or approved by this headquarters. Military Government Team Commanders will insure compliance with paragraph 2 of reference 1a above by Japanese officials concerned.

BY COMMAND OF MAJOR GENERAL COULTER:

C. C. CARTER
Colonel, AGD
Adjutant General

1 Incl:
Memo, Hq I Corps, 21 Dec 48

DISTRIBUTION:
2 ea MG Region & Team
I Corps Z/R
2 AG Rec, I Corps
2 8th Army MG Sect.
2 F & CS Sect.

CO
EX
ADJ 1
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7

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

21 December 1948

MEMORANDUM:

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

1. The lack of energetic effort, in many instances amounting to neglect of duty, on the part of Japanese tax collecting personnel coupled with the failure of Japanese law enforcing agencies to promptly investigate and bring to successful legal conclusion criminal and civil tax cases are a matter of grave concern to the entire Japanese nation. This intolerable situation is interfering seriously with the successful accomplishment of the occupation objectives set forth by the Supreme Commander. The amount of taxes collected in the I Corps Zone of Responsibility to date is far below what it should be. This failure of the Tax Collection Program is jeopardizing the economic recovery of Japan and the maintenance of a sound, stable government.

2. It is directed that all Japanese tax officials take immediate and vigorous action to accelerate the Tax Collection Program. All courts, law enforcing agencies, and others concerned, will perform promptly their functions in order to expedite investigation, prosecution, and trial of criminal violators of Japanese tax laws. Civil action in the attachment, seizure, and sale of property of persons, business concerns, and others who have not paid or do not intend to pay taxes which are legally due will be taken promptly and carried to a conclusion as possible. Criminal and civil tax cases will be given a high priority on court dockets.

3. In accomplishing the above directives in the case of United Nations' nationals, Japanese officials will take civil action under the civil jurisdiction conferred upon the Japanese government by SCAPIN 777, dated 26 February 1946, as limited by SCAPIN 4938-A, dated 29 December 1947. Japanese officials will promptly report to Military Government for proper disposition United Nations' nationals who criminally violate any Japanese tax laws or who obstruct or interfere with Japanese government officials in the exercise of civil jurisdiction in tax matters.

4. It is directed that widespread publicity be given to indictments for violation of tax laws, and to successfully prosecuted cases.

Incl No. I

/s/ J. M. Swing
/t/ J. M. SWING
Major General, USA
Commanding, I Corps

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

file

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/af

AG 014 - BA

SUBJECT: Transmittal of Japanese Letter

TO: Commanding Officer
Kinki Military Government Region
APO 25

Attached herewith is a letter from a Japanese tax payer. It is a matter pertaining to your command.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ William A Franks
/ t/ WILLIAM A FRANKS
Major, AGD
Asst Adj General

1 Incl:
as indecated

(6)

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

file
FAF

BASIC: Ltr, Hq I Corps, AG 014, subj: Transmittal of Japanese Letter, dtd 12 Feb 49.

014 1st Ind FAF/def

Hq Kinki Mil Govt Region, APO 25, 14 February 1949

TO: CO, Kyoto Mil Govt Team, APO 301

1 Incl:
n/c

GM

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

SUBJECT: Tax Surveillance Program

TO: CO, Osaka Mil Govt Team, APO 25
CO, Hyogo Mil Govt Team, APO 317
CO, Kyoto Mil Govt Team, APO 301
CO, Shiga Mil Govt Team, APO 25-3
CO, Nara Mil Govt Team, APO 25-4
CO, Wakayama Mil Govt Team, APO 25

1. The Osaka Regional Bureau reports indicate that despite our concerted efforts, this region continues to occupy an unenviable position in the relative tax collections for all regions of Japan. Continuing surveillance and review of the program fails to disclose any basic or inherent defects in the approach to the surveillance activities; yet the results scarcely warrant commendation.

2. Reassessment notices will have been completed and should be mailed by the tax offices not later than 20 February. Following issue of these, the self-assessed tax collections which have lagged seriously, should increase very substantially, and within the next two months approximate the original goal established for this tax.

3. It is desired that every effort of the tax surveillance personnel be concentrated on observance of the tax office activities in this respect. To insure adequate surveillance in this critical period, it is further desired that tax surveillance personnel be spared from all extraneous duties during this period.

4. It is anticipated that anti-tax movements and demonstrations will again become rampant and the frequent presence of the surveillance officers at the various tax offices is necessary and desirable to forestall intimidation of tax officials and to observe that legal prerogatives are asserted to prevent interference with tax office operations.

5. The universal interest and high priority of this program warrants for it the closest supervision of team commanders. To this end it appears desirable that personal visits be made to representative offices to evidence this interest and lend the prestige of his presence and attention.

(5)

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

Ltr, Hq Kinki Mil Govt Region, APO 25, subj: "Tax Surveillance Program", dtd

Better understanding of the problems of the tax surveillance officers and direction of their efforts may thus be accomplished. The pursuit of every measure within the bounds of propriety is to be stressed in order to meet or exceed the tax goals assigned the areas of jurisdiction.

WILEY H. O'MOHUNDRO
Col., INF
Commanding

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

file

Report Control Symbol [illegible]-13

KYOTO MILITARY GOVERNMENT TEAM
APO 301 (Kyoto, Honshu)

JCS/cs

012

11 February 1949

SUBJECT: Letter of Transmittal

THRU: Commanding Officer Kinki Mil Govt Region, APO 25

TO: Commanding General I Corps, APO 301

In compliance with Operational Directive Number 48, Headquarters Eighth Army, dated 17 August 1948, transmitted herewith is Report on Surveillance of Japanese Tax Administration.

FOR THE COMMANDING OFFICER:

Thomas R. Harbin

THOMAS R. HARBIN
1st Lt. Infantry
Adjutant

1 Incl:
As indicated.

(4)

937.

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

EHN/mo

AG 463 - BA

SUBJECT: Additional Allocation of Gasoline for Taxation

FEB 8 1949

2813

TO : Commanding General
Eighth Army
APO 343

1. This headquarters has been informed by the Director General of the Osaka Finance Bureau, that the efficiency of tax collection efforts is seriously handicapped by shortage of gasoline. A survey of anticipated needs indicates that over a period of three months, Japanese tax offices in I Corps area will require 87,600 gallons of gasoline for normal operation.

2. It is recommended that the Japanese Government be informed of the high priority placed on the tax collection program, and that it be instructed to make sufficient allocation of gasoline to permit effective operation of tax offices.

FOR THE COMMANDING GENERAL:

WILLIAM A. FRANKS
Major, AGD
Asst Adj General

1 Incl:
Estimate of Gasoline Consumption Required for Tax Collection Purposes.

(3) 169
Incl. 2 incl 2

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

GHQ, SCAP
FEB 17 1949
AGMGF 463.7

AGMGF 463.7 1st Ind
SUBJECT: Additional Allocation of Gasoline for Taxation,

Headquarters Eighth Army, APO 343 17 FEB 1949

TO: Supreme Commander for the Allied Powers, APO 500
Attention: Economic and Scientific Section
Internal Revenue Division

1. Recommend approval.

2. The condition reported herein is not localized but is prevalent throughout the nation. Due to the all-important mission of the tax officials, request the overall gasoline allocation be reviewed for the purpose of an appropriate adjustment.

3. Request this headquarters be advised of action taken.

FOR THE COMMANDING GENERAL:

1 Incl
n/c

GEORGE N. RYNEY
Major, AGD
Asst Adj Gen

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

HEADQUARTERS EIGHTH ARMY
United States Army
Office of the Commanding General

AGM/GF 012 8 February 1949

File
347
Hq

SUBJECT: Surveillance of Japanese Tax Administration

THRU: Commanding General
I Corps
APO 301

TO: Commanding Officer
Osaka Military Government Team
APO 25

1. Transmitted herwith are unofficial interpretations of the Japanese Tax Laws and other surveillance matters, in response to questions submitted by your headquarters. These questions were didcussed at the tax surveillance conference held at Yokohama 17-18 January 1949.

2. The answers have been prepared from the best information available and are to be considered as being informational in character and non-directive.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

/s/ Monroe N Hiney
/t/ MONROE N HINEY
Major, AGD
Asst Adj Gen

1 Incl:
Report Ess
dtd 27 Jan 49

AG 012 - BA 1st Ind FFA/ af

Hq I Corps, APO 301 15 February 1949

TO: CO, Kinki Mil Govt Region, APO 25

1 Incl:
n/c

WAF

(2)

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

BASIC: Ltr Hq Eighth Army, AGMOF 012, subj: "Surveillance of Japanese Tax Administration", dtd 8 February 1949

012 2nd Ind FAF/dcf

Hq Kinki Mil Govt Region, APO 25, 17 February 1949

TO: CO, Osaka Mil Govt Team, APO 25

1 Incl:
n/c

GM

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

012

~~040~~

HEADQUARTERS
KINKI MILITARY GOVERNMENT REGION
APO 25 Osaka, Honshu

FAF/def

7 February 1949

File

SUBJECT: Revised tax collection goals

TO: Commanding General
I Corps, APO 301
Attn: Finance and Civil Property

1. Attached herewith are the revised tax collection goals by prefecture, by tax.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt CE
Adjutant

1 Incl:

1. Tax collection goals

1

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

January

	SUBJECT	FROM	TO	DATE
1.	Survey of Incomes and Taxes for 1947	SMGT	8th Army	6 Jan 49
2.	Surveillance of Japanese Tax Administration	I Corps	8th Army	6 Jan 49
3.	Anti-Tax Organization	WMGT	KMGR	8 Jan 49
4.	Tax Surveillance & Minimum Collection Goals for the 1948-49 Fiscal Year	ICorps	1 ea MGR	8 Jan 49
5.	Surveillance of Japanese Tax Administration	HMGT	8th Army	11 Jan 49
6.	Report on Tax Evasion Cases	8th Army	I Corps	14 Jan 49
7.	Reinstatement of Japanese Government Official	KMGT	KMGR	22 Jan 49
8.	Report on Tax Evasion Cases	KMGR	8th Army	31 Jan 49

Jan

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

HEADQUARTERS
KINKI MIL GOVT REGION
Kyoto, Honshu

012

APO 301

31 January 1949

SUBJECT: Report on Tax Evasion Cases

THRU : Commanding General, I Corps, APO 301
Attn: Military Government Section

TO : Commanding General, Eighth Army, APO 343
Attn: Military Government Section

1. Reference: Ltr, Hq Eighth Army, Subj: "Report on Tax Evasion Cases," dtd 14 January 1949, file: AGMGF 012.

2. Enclosed are the subject reports for the following period and area:

a. Period: 26 January 1949

b. Area : Kinki Military Government Region less Shiga Prefecture, Shiga Prefecture submitted subject report direct to Headquarters Eighth Army.

FOR THE COMMANDING OFFICER:

J. E. ENGLEHARDT
Capt., AGD
Adjutant

5 Incls:
1. Rpt Osaka Mil Govt Team
2. Rpt Kyoto Mil Govt Team
3. Rpt Hyogo Mil Govt Team
4. Rpt Nara Mil Govt Team
5. Rpt Wakayama Mil Govt Team

(8)

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

012

KYOTO MILITARY GOVERNMENT TEAM
APO 301 (Kyoto, Japan)

HCS/ejc

22 January 1949

SUBJECT: Reinstatement of Japanese Government Official

TO: Commanding Officer, Kinki Mil Govt Regn, APO 301
Attention: Finance & Civil Property Section

1. In compliance with verbal request, Headquarters Kinki Military Government Region, subject: "Recommendation for Tomoki Asano, ex-Superintendent of the Sakyo ward, Taxation Office of the National Government," the following information is submitted:

a. On or about 15 June 1948 this headquarters recommended the removal of Mr. Tomoki Asano, Superintendent of the Sakyo Tax Office, Kyoto City. The laxity and inefficiency of the Sakyo Tax Office under Mr. Asano were common to most tax offices in this prefecture and removal was requested as an effort to correct the highly unsatisfactory situation.

b. Mr. Asano's removal as an object lesson to all other tax superintendents resulted in a marked increase in the efficiency and quality of work in all the tax offices of Kyoto City.

2. It is believed that the removal of Mr. Asano has served its purpose and that Mr. Asano, if reinstated, would probably perform his duties in a more efficient and conscientious manner, once having experienced the penalty of failure to do so. The present dearth of qualified and trained personnel is recognized, and it is believed that Mr. Asano has the necessary ability and training to be of further service to his government.

FOR THE COMMANDING OFFICER:

HAROLD C. SHEFFIELD
Major, QMC
Executive

7

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

BASIC: Ltr, Kyoto Mil Govt Team, subj: "Reinstatement of Japanese Government Official," dtd 22 Jan 49.

AG 012 - BA 1st Ind FFA/af

Hq I Corps, APO 301 [redacted] 2 1949

TO: CG, Eighth Army, APO 343

1. Basic letter was instigated by a telephone message from the Finance and Civil Property Division of the Eighth Army Military Government Section.

2. This headquarters does not concur with the recommendation contained in paragraph 2 of the basic communication. Subject Japanese tax official was discharged as the result of proven incompetency, and the precedent established by his reinstatement would be undesirable.

FOR THE COMMANDING GENERAL:

Ramsey
C. W. O. U.S.A.
Asst. Adj Gen

CO
EXEC. 2
ADM. O 1
ADM. ASST.
ASST ADM. O
SUPPLY
G. AFF
G. & I.
RES & IND
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CI&E

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

Extra for KMAR?

HEADQUARTERS EIGHTH ARMY
United States Army
Office of the Commanding General
APO 343

AGMGF 012 14 January 1949

SUBJECT: Report on Tax Evasion Cases

TO : Commanding General
I Corps
APO 301

1. It is desired that a report be submitted to this headquarters (attention: Military Government Section) at the earliest practical date furnishing the information set forth in paragraph 2 below. This report is to be used in connection with the current drive for conviction of tax evaders.

2. The report should give the name, address, procurators office having jurisdiction and brief summary of tax evasion cases within the command in the following status:

a. Under indictment

b. Under sentence but sentence not carried out because of appeal to higher court

c. Serving sentence in prison.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

/s/ Monroe N. Hiney
/t/ MONROE N. HINEY
Major, AGD
Asst Adj Gen

AG 012 - BA 1st Ind GH/tn

Hq I Corps, APO 301, 18 JAN 1949

TO: See distribution

1. Attention is invited to basic communication.

2. It is desired that the required report be forwarded so as to reach this headquarters by 31 January 1949.

BY COMMAND OF MAJOR GENERAL SWING:

C. C. CARTER
Colonel, AGD
Adjutant General

DISTRIBUTION:
1 - 8th MG Region and Team
I Corps Z/R
2 - AG
3 - F&CP Section MG

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

012

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HYOGO MILITARY GOVERNMENT TEAM
APO 317

11 January 1949

SUBJECT: Surveillance of Japanese Tax Administration

TO : Commanding General
Eighth Army
APO 343
Attn: Military Government Section

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 beggining of period: ¥ 6,848,692,000.

b. Total national tax collections during period 1-31 December, in Hyogo Prefecture: ¥ 1,663,597,000.

c. Total national taxes collected for fiscal year through 31 December: ¥ 8,542,289,000.

2. Six new tax offices opened in Hyogo Prefecture 1 December 1948. Some confusion still exists in these offices, due to transference of records and shortage of personnel.

3. In cooperation with the Civil Information Section, initiated a tax education program to supplement the program put into effect by the Osaka Regional Office of the Finance Bureau. The Civil Information Section made three sets of slides, each with a script. These slides explained, why the taxes are high, how tax money is used by the government and what benefits the individual receives from the tax he pays. Each set of slides approached the subject from a different angle. Each set required a showing time of about 20 minutes. These slides with stereoptican projector and operator are being loaned to the local tax offices for showing in local theaters and groups meetings of taxpayers arranged by the tax officials.

FOR THE COMMANDING OFFICER:

Louis C Hutton
LOUIS C HUTTON
Major Cavalry
Executive Officer

(5) 04974

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

GH/ay

AG 012 - BA

8 January 1949

SUBJECT: Tax Surveillance - Minimum Collection Goals for the 1948-49 Fiscal Year

TO : See Distribution

1. Transmitted herewith as inclosure 1 are the new official minimum tax goals of the regional finance bureaus for the 1948-49 fiscal year furnished by the Japanese Ministry of Finance based on the revised budget recently passed by the Diet.

2. It is desired that the new official minimum goals for each local tax office be obtained from the regional finance bureaus within the command and transmitted to this headquarters. The local tax office goals should be grouped by regional finance bureaus and prefectures and show the transactions tax (stamps) separately. The goals for all local tax offices under a regional finance bureau should total the goal for the regional bureau as shown on inclosure 1.

3. This headquarters has been advised that all of the regional finance bureaus should have the local tax office goals available not later than 10 January 1949.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
As indicated.

C. C. CARTER
Colonel, AGD
Adjutant General

DISTRIBUTION:
1 ea MG Region
1 - Osaka MG Team
2 - AG Rec, I Corps
3 - F&CP Sec

(4)

MINIMUM GOAL OF COLLECTION FOR THE 1948-49 FISCAL YEAR
(As instructed to Regional Finance Bureau 24 Dec., 1948)

	Tokyo	Kanto-Shin-etsu	Osaka	Sap-poro	Sendai	Kana-zawa	Nagoya	Hiro-shima	Taka-matsu	Fuku-oka	Kuma-moto	Total
INCOME (withholding	16,099	3,996	12,853	3,494	3,148	1,314	6,912	4,019	1,927	5,648	1,861	61,271
INCOME (Others	23,747	16,627	25,279	3,821	6,598	3,231	12,953	9,459	4,485	8,981	7,016	122,197
INCOME (Total	39,846	20,623	38,132	7,315	9,746	4,545	19,865	13,478	6,412	14,629	8,877	183,468
Increased income	102	34	169	10	15	7	42	36	17	49	19	500
Cooperate	6,140	909	5,093	608	404	354	1,817	973	403	963	392	18,056
Special Corporation	14	10	8	3	3	2	3	5	2	2	2	54
Estate and gift	322	172	302	32	66	27	124	85	26	53	41	1,250
Non-War-Sufferers	349	57	247	21	27	19	62	28	12	40	25	887
Liquor	8,353	4,577	9,732	2,839	3,212	1,196	4,354	3,509	1,433	3,680	2,891	45,776
Soft drinks	331	168	404	41	69	26	146	188	40	162	72	1,647
Sugar	393	168	277	124	150	41	175	95	72	123	76	1,694
Textile	1,092	2,130	2,209	51	291	1,108	2,751	251	101	64	42	10,090
Commodity	5,345	1,098	5,028	595	403	260	2,363	578	665	873	300	17,508
Transactions (Cash)	1,421	355	1,319	178	173	136	568	316	139	411	142	5,158

Incl: 1

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

Minimum Goal of Collection for the 1948-49 Fiscal Year, cont'd.

	Tokyo	Kanto Shin-etsu	Osaka	Sapporo	Sendai	Kanazawa	Nagoya	Hiroshima	Takamatsu	Fukuoka	Kumamoto	Total
Travelling	1,808	46	253	17	25	18	89	29	21	62	21	2,389
Admission	1,019	280	891	217	251	89	392	243	123	366	164	14,[illegible]
Securities transfer	76	3	105	1	[illegible]	3	34	10	2	5	1	241
Horse race	221	14	154	6	[illegible]	2	9	7	1	6	2	424
Excess profits	92	13	31	0	1	1	3	1	1	1	1	145
Stamps	19	7	19	2	6	2	7	3	3	2	4	74
Sub-total	66,943	30,664	64,373	12,060	14,345	7,836	32,804	19,635	9,473	21,491	13,072	293,396
Transactions (Stamps)	4,475	1,119	4,154	559	545	426	1,789	995	437	1,297	446	16,242
Grand Total	71,418	31,783	68,527	12,619	15,390	8,262	34,593	20,830	9,910	22,788	13,518	309,638
%	231	102	221	041	050	027	112	067	032	073	044	1,[illegible]

Unallocated:

Tax on sugar held in warehouses to be collected by customs officers	1,713
Customs duties	180
Revenue stamps - collected by Communications Ministry	4,565
	316,096

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

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

HEADQUARTERS
WAKAYAMA MILITARY GOVERNMENT TEAM
APO 25

RCW/my

012.2 - LG

8 January 1949

SUBJECT: Anti-Tax Organization

TO : Commanding Officer
Kinki Military Government Region
APO 301
ATTN: Major Hecht

1. Inclosed police report forwarded for your information.

2. Activities of this organization are receiving special attention of the police, and undersigned.

1 Incl.
NRP report.

/s/ Melvin C. Robinson
/t/ MELVIN C. ROBINSON
Capt. FA

(3)

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

BASIC: Ltr, Hq Wakayama Mil Govt Team, subj: "Anti-Tax Organization", dtd 8 January 1949

O12 1st Ind GH/af

Hq Kinki Mil Govt Region, APO 301 18 JAN 1949

TO: CO, Wakayama Mil Govt Team, APO 25

Attention is invited to Legal Government section, Eighth Army Military Government Bulletin number 6, dated 5 January 1949, reproduced in part as inclosure 2, attached.

BY ORDER OF COLONEL BURNS:

J. E. ENGLEHARDT
Capt., AGD
Adjutant

2 Incls:
1. NRP report - n/c
2. As indicated

CO
EXEC
ADM. O
ADM. ASST.
ASST ADM.O
SUPPLY
G. AFF
G. & I.
RES & IND
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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

GH/ay

9649

AG 012 - BA

SUBJECT: Surveillance of Japanese Tax Administration

JAN 6 1949

TO : Commanding General
Eighth Army
APO 343

1. Many reports have been received from military government teams in outlying and difficult terrain districts, that the lack of gasolene and sufficient vehicles is seriously hampering the Japanese in the current tax collection program. Japanese tax officials are often forced to walk or hitchhike in order to reach isolated areas to conduct official business. Frequently after movable property has been attached for delinquent taxes, it cannot be transported to safe custody.

2. It is suggested that local divisions of other Ministries of the Japanese government having vehicles under their control be directed to extend the use of these vehicles to local officials of the Ministry of Finance. It is further recommended that the Ministry of Finance be directed to reallocate on a more effective basis vehicles presently in use.

3. Attention is invited to inclosure 1, indicating action initiated by the seven Finance Bureaus in the I Corps Z/R in an attempt to relieve this critical situation.

FOR THE COMMANDING GENERAL:

Wilder A. Johnson

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

1 Incl:
As indicated.

04064

(2)

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

GHQ, SCAP
JAN 11 1949
AGO RECORDS

AGMGF 012 1st Ind

Subject: Surveillance of Japanese Tax Administration (6 Jan 49)

Headquarters Eighth Army, APO 343 10 JAN 1949

TO: Supreme Commander for the Allied Powers, APO 500
Attention: Economic and Scientific Section
Internal Revenue Division

Shortage of transportation has been one of the major obstacles to efficient operation of local tax offices and finance bureaus. Action to improve the transportation facilities, as suggested in the basic communication or by other means available to the Japanese Government, is considered necessary.

FOR THE COMMANDING GENERAL:

1 Incl. n/c

MONROE N. HINEY
Major, AGD
Asst Adj Gen

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

Ltr, Hqs I Corps, APO 301 (Kyoto, Honshu), subj: Surveillance of Japanese Tax Administration, 6 Jan 49

AG 012.2(6 Jan 49)ESS/IR 2d Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500, 10 March 1949

4776

TO: Commanding General, Eighth Army, APO 343

1. Reference letter from General Headquarters, Supreme Commander for the Allied Powers, to Commanding General, Eighth Army, AG 012.2 (26 Oct 48)ESS/IR, 26 October 1948, subject as above.

2. This also applies to letter from Headquarters I Corps, AG 463-BA, subj: Additional Allocation of Gasoline for Taxation, 8 February 1949, and 1st Ind. thereto from Headquarters 8th Army, AGMGF 463.7, 17 February 1949.

3. Additional allotments of gasoline have been granted by the Economic Stabilization Board to the Ministry of Finance, which has apportioned or is apportioning the allotments to the seven regional financial bureaus concerned. The additional allotments granted were: January, 10,000 liters; February, 15,000 liters; and March, 40,000 liters.

4. The use, by the Ministry of Finance, of the vehicles assigned to other ministries was considered but was not considered feasible or practical of administration.

5. The Ministry of Finance is taking necessary steps to reallocate the vehicles now in use on a more effective basis.

BY COMMAND OF GENERAL MacARTHUR:

2 Incl
1. n/c
2. Ltr fr Hq I Corps, 8 Feb 49. w/ind thereto.

J W WILLIAMS
Major, A G D
Asst Adj Gen

2692

AGMGF 012 3rd Ind

Headquarters Eighth Army, APO 343

18 MAR 1949

TO: Commanding General, I Corps, APO 301

8

2 Incls
n/c

RECORDED - M.N.H. 3

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

BASIC: Ltr, Hq I Corps, AG 012-BA, subj: "Surveillance of Japanese Tax Administration", dtd 6 Jan 49

AG 012 - BA 4th Ind FFA/af

Hq I Corps, APO 301,

MAR 24 1949

TO: CO, Kinki Mil Govt Region, APO 25

The original petition was submitted to Kinki Mil Govt Region, by the Osaka Finance Bureau.

BY COMMAND OF MAJOR GENERAL COULTER:

A. SEIPEL
Lt Col, AGD
Asst Adj General

RECORDED
HQ I CORPS

2 Incls:
n/c

File per instructions
FCIBofA c

146 2640

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

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

SPECIAL REPORT
CONTROL SYMBOL
49/FCP/T/#1

WTR/mgm

6 January 1949

SUBJECT: Survey of Incomes and Taxes for 1947

TO: Commanding General, Eighth Army, APO 343.
(Attn: Military Government Section)

References:

a. Special Report 48/LG/T/#1 Shiga Mil Govt Team, dated 7 June 1948, subject: "Uniform Method of Determining Income for Taxation."

b. Par 3 a, Report, MG 13 Shiga MG Team, dtd 9 June 1948, subject: "Tax Surveillance."

1. The absence of a uniform method of determining individual incomes for taxation remains an obstacle preventing fair determination of incomes by the tax offices. The sales-transaction tax has been a step in the right direction by furnishing records, but the fact that there is widespread violation of this tax, plus the fact that so many transactions are exempt from the tax, prevent thorough effectiveness.

2. The information contained in reference a and b (above) discusses the possibility that due to lack of uniform methods of computing incomes, an individual taxed by one tax office might be assessed an entirely different amount of income and tax by a different office. Later, in October, at a public meeting attended by the MG Tax Team, the Yokaichi Commerce and Industry Organization produced "surveys" showing that the Hachiman Tax Office assesses more heavily "than any other in Japan." One "survey" purported to list the top 10 second hand dealer taxpayers in the areas of 4 different Shiga tax offices. Seven of these reside within the jurisdiction of the Hachiman Tax Office, and six of these seven reside in the town of Yokaichi. Another "survey" depicted an "index of taxation" on about 7 professions under the same 4 tax offices, with Hachiman's "index" much greater than the other 3.

3. In an attempt to learn the truth, the MG Tax Team made a survey, collecting information as to the amount of income and tax of the top 10 taxpayers in each of 21 professions at each of 6 Shiga tax offices.

(1)

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

SUBJECT: Survey of Incomes and Taxes for 1947 6 January 1949

4. A consolidation of the information gained in this survey, with explanation, is attached as Incl 1 of this report.

5. A logical comparison can be made, by arranging the sums of the top 10 incomes within each tax office numerically by size, with the identifying information (tax office and profession) and percent of the income paid as tax listed on the right. Since 10 cases were considered in each instance, the factor of number of dependents tends to balance and since taxes are progressive the percent of income paid as tax should be arranged numerically also. Inconsistancies do exist, and significant ones are marked with an asterisk. One office is inconsistant within itself. (Incomes No. 55, 56, 57 and 58, Nagahama Hotels, confectioners, old clothes dealers, and miscellaneous dealers). Generally, however, no tax office is inconsistant with the others or has a preponderance of cases at the top or bottom of the numerically arranged list.

6. Conclusions:

a. No tax office is noticeably worse than others in determining incomes or computing tax from incomes, although instances of inconsistancy on the latter exist in every tax office.

b. Any accurate survey to compare the determination of incomes by different offices must include a "black market" factor for the area and professions as well as other factors showing actual income.

c. Since it is entirely possible that members of a particular profession in one area have an income entirely out of proportion to the members of the same profession in another area, it is believed that no more than a rough comparison can be made from this survey on that basis.

7. This survey can be used to quickly rough-check tax assessments of individuals. If a person's income, multiplied by 10, is close to one of the 10 income totals on the survey, the tax percent should be close to the corresponding percentage. For example, a person has been found whose income multiplied by ten is ¥2,397,160, falling between cases 7 and 8 of the survey. From the survey trend, we can assume that his tax should be between 55% and 65% of his income. It was instead 35%, so an investigation will be made to learn why his tax was so low.

8. This survey has been brought to the attention of tax chiefs for their information and action concerning consistancy.

1 Incl
Survey

E. D. LUCAS
Lt Col, CAV
Commanding

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

BASIC: Ltr, Hq Shiga Mil Govt Team, subj: "Survey of Incomes and Taxes for 1947," dtd 6 Jan 49.

AG 012 - BA 1st Ind GH/af

Hq I Corps, APO 301 12 Jan 49

TO: CG, Eighth Army, APO 343

1. Forwarded for information.

2. This headquarters is of the opinion that the lack of a uniform method of computing income and tax assessments is one factor which is responsible for the present tax collection situation. The practice of tax officials assessing taxes based on the profession or occupation of the individual is contrary to the intend of the law and is a continuance of the system in vogue prior to the enacting of the present income tax law of 1947.

FOR THE COMMANDING GENERAL:

1 Incl:
n/c

CO
EXEC
ADM. O
ADM. A
ASST A
SUPP
G. A
G. &
RES
PROC
FILE 4