

Local Allocation Tax Law

(Object of this Law)

Article 1. The object of this Law is to contribute toward realization of the principles of local autonomy and to strengthen the self-dependence of local bodies, by equalizing the financial resources of local bodies and by assuring the systematic operation of local administration through the establishment of allocation standards of local allocation tax, without impairing the rights of such local bodies to administer their property, perform their affairs and execute their administration autonomously.

(Meaning of Terms)

Article 2. The following terms as used in this Law shall mean as follows:

- (1) "Local allocation tax" shall mean a certain proportion of income tax, corporation tax, liquor tax, consumption tax and tobacco tax respectively computed under Article 6 which is granted by the State to each local body to enable it to perform its functions.
- (2) "Local body" shall mean To, Do, Fu or Ken or City, town or village.
- (3) "Basic financial needs" shall mean the amount computed under Article 11 for the purpose of scientific measurement of the financial needs of a local body.
- (4) "Basic financial revenues" shall mean the amount computed under Article 14 for the purpose of scientific measurement of the financial resources of a local body.
- (5) "Yardstick" shall mean a yardstick established for each category of local administration to estimate the scale of local administration according to each category and to serve as the basis of the amount of local allocation tax for each fiscal year.

- (6) "Unit Cost" shall mean the cost for each unit of the yardstick (after modification under paragraph 1 of Article 13, where applicable), based upon the model expenses of a standardized local body for its local administration on a reasonable and appropriate level and for the maintenance of standard facilities, according to Do, Fu or Ken and City, town or village. In computing such unit cost, the expenses to be financed with subsidies, assessments, fees, charges, shares or other related revenues and with the revenues from local tax falling outside of basic financial revenues shall be excluded. The standard sum of expenses for local administration of each category, on the basis of which the ordinary allocation tax is computed, shall be determined by multiplying such unit cost by the numerical value of the yardstick.

(Basic Principles)

Article 3. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall always endeavor at accurately grasping the financial status of each local body, and, in accordance with this Law, allocate with fairness the total sum of local allocation tax (hereinafter referred to as "allocation tax") to the local bodies whose financial needs exceed their financial revenues, to make good such deficiencies.

- (2) The State shall, in granting allocation tax, respect the principles of local autonomy and shall attach no conditions or impose no limitations on the use thereof.
- (3) Each local body shall make best efforts to maintain a reasonable and appropriate level of administration, and see to it that it conform at least to the minimum standards of scale and quality established by laws or cabinet orders duly delegated by laws.

(Powers and Responsibilities of the Minister of Public Management, Home Affairs, Posts and Telecommunications)

Article 4. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall have the following powers and responsibilities for the execution of this Law:

- (1) To estimate the total sum of allocation tax to be granted every fiscal year
- (2) To determine the amount of allocation tax to be granted to each local body and grant the same;
- (3) To revise or reduce the amount of allocation tax or order the refundment

- thereof, under Articles 10, 15, 19 or 20-2;
- (4) To receive appeal for review from a local body under Article 18 and give ruling thereon;
 - (5) To receive exception taken by a local body under paragraph 7 of Article 19 (or paragraph 4 of Article 20-2 which adduces the same paragraph of the same article) and give decision thereon;
 - (6) To hold a hearing under Article 20;
 - (7) To collect and prepare necessary data for estimation of the total sum of allocation tax and computation of the amount of allocation tax to be ranted to each local body;
 - (8) To grasp the status of local finance constantly by means of the data collected to improve the operation of allocation tax system;
 - (9) To perform the affairs ads provided in this Law, except as enumerated above.

(Data for Computation of Allocation Tax)

- Article 5. The governor of To, Do, Fu or Ken shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, present to the Minister of Public Management, Home Affairs, Posts and Telecommunications the data on basic financial needs and basic financial revenues, the data for computation of the amount of special allocation tax and other necessary data related to his To, Do, Fu or Ken, and shall maintain records of basic facts upon which such data are based.
- (2) The Mayor of City, Town or Village shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, present to the Governor of To, Do, Fu or Ken the data on basic financial needs and basic financial revenues, the data for computation of the amount of special allocation tax and other necessary data related to his City, Town or Village, and shall maintain records of basic facts upon which such data are based.
 - (3) The governor of To, Do, Fu or Ken shall, upon examination, transmit the data submitted under the preceding paragraph to the Minister of Public Management, Home Affairs, Posts and Telecommunications.
 - (4) Any administrative organ of the State (which refers to Cabinet Office, Imperial Household Agency, administrative organs under paragraph 1 and 2 of Article 49 of the Cabinet Office Establishment Law (Law No. 89 of 1999) and administrative organs under paragraph 2 of Article 3 of the National Government Organization Law (Law No. 120 of 1948) and shall hereafter be referred to as "administrative organs") concerned with the local administration covered under the basic financial needs shall, upon request of the Minister of Public Management, Home Affairs, Posts and Telecommunications, present to him necessary data for computation and allocation of the allocation tax with respect to the administrative affairs within the power of the organ.

(The Total Sum of Allocation Tax)

- Article 6. The allocation tax shall be equal to 32 per cent of income tax revenue, corporation tax revenue and liquor tax revenue, 29.5 per cent of consumption tax revenue and 25 per cent of tobacco excise revenue.
- (2) The total sum of allocation tax to be granted every fiscal year shall be calculated by summing up 32 per cent each of the estimated revenues of income tax, corporation tax and liquor tax, 29.5 per cent of the estimated revenue of consumption tax, and 25 per cent of the estimated revenue of tobacco excise, plus such portion of the allocation tax for the preceding fiscal years which has yet to be granted, or less such amount granted over and above the due amount in the preceding fiscal years.

(Classification of Allocation Tax)

- Article 6-2. The allocation tax shall be classified into the ordinary allocation tax and the special allocation tax.
- (2) The aggregate sum of the ordinary allocation tax for each fiscal year shall be equal to 94 per cent of the sum referred to in paragraph 2 of the preceding article.
 - (3) The aggregate sum of the special allocation tax for each fiscal year shall be equal to 6 per cent of the sum referred to in paragraph 2 of the preceding article.

(Revision of the Amount of the Special Allocation Tax)

Article 6-3. In case the aggregate sum of the ordinary allocation tax to be granted for a fiscal year exceeds the aggregate sum of the ordinary allocation tax computed for each local body under the first sentence of paragraph 2 of Article 10, such excess shall be added to the aggregate sum of the special allocation tax for the fiscal year.

- (2) In case the aggregate sum of the ordinary allocation tax to be granted continues to show a considerable difference from the aggregate sum of the ordinary allocation tax computed for each local body under the first sentence of paragraph 2 of Article 10 for several consecutive fiscal years, the revision of systems of local finance or local administration, or the change of the rates prescribed in paragraph 1 of Article 6 shall be undertaken.

(Submission and Publication of Estimates of Revenues and Expenditures)

Article 7. The Cabinet shall every fiscal year prepare a document on the estimates of revenues and expenditures of the whole of the local bodies for the following fiscal year which includes the items below and submit it to the Diet as well as make it public.

- (1) The estimates of the total revenues of the whole of the local bodies and the itemized accounts of the followings:
 - a. The standard taxable value, tax rate, estimated amount to be imposed and estimated amount to be collected of each tax items;
 - b. Charges and fees;
 - c. Debts to be issued;
 - d. Disbursements from the State
 - e. Other revenues
- (2) Estimates of the total expenditures of the whole of the local bodies and the itemized accounts of the followings:
 - a. Itemized total expenditures and the difference from the corresponding amount of the preceding fiscal year;
 - b. Total expenditures financed with disbursements from the State
 - c. Funds for payment of principal and interest of municipal debts

(Date of Computation)

Article 8. The amount of allocation tax for each local body shall be computed as of April 1 every fiscal year.

(Abolition, etc. of Local Body)

Article 9. In case of the abolition, creation, division or merger or the redemarcation of a local body after the date referred to in the preceding paragraph, the following provisions shall be applicable to the allocation tax due to such local body:

- (1) In case the whole area of a local body is annexed to the area of another local body on account of the abolition, creation, division or merger, the sum of the allocation tax due to the local body so annexed shall be granted to the local body to which it is annexed, after the date of abolition creation, division or fusion:
- (2) In case the area of local body is divides on account of the abolition, creation, division or fusion, or is redemarcated, the sum of the allocation tax due to the local body so divided or redemarcated shall, as provided by order of the Minister for Public Management, Home Affairs, Posts and Telecommunications, be divided into portions so that such portions are proportionate to the sums of the allocation taxes which would have been granted to the hypothetical local bodies supposed to have independently existed as of the first April of the same fiscal year over the area affected by such redeemarcation, and such portions shall be granted respectively to the local bodies annexing the area affected by such abolition, creation, division or fusion or redemarcation or the local bodies comprising the area affected by such demarcation.

(Ordinary Allocation Tax)

Article 10. The ordinary allocation tax shall, as provided by the following paragraph, be granted each fiscal year to such local bodies whose basic financial needs exceed their basic financial revenues.

2. The sum of the ordinary allocation tax to be granted to each local body shall be equal to the excess of its financial needs over its basic financial revenues (hereinafter in this article referred to as "deficiencies"). However, if the total sum of the deficiencies through out all the local bodies exceeds the aggregate sum of the ordinary allocation tax, it shall be equal to the sum calculated by the following formula:

$$D - N \times \frac{T - A}{B}$$

D = Deficiencies of the local body

N = Its basic financial needs

T = Total sum of deficiencies

A = Aggregate sum of the ordinary allocation tax

B = Aggregate sum of the basic financial needs of such local bodies whose basic financial needs exceed its basic financial revenues.

3. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall be determine the sum of the ordinary allocation tax to be granted under the preceding two paragraphs, not later than the thirty-first of August every year. However, in case of an increase of the aggregate sum of the allocation tax or in other justifiable cases, the sum of the ordinary grant tax may be determined or the already determined sum of the ordinary allocation tax may be revised, on or after the first of September.
4. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall inform the local body of the sum of the ordinary allocation tax determined or revised under the preceding paragraph.
5. Even though the already determined sum of the ordinary allocation tax for a local body be revised under the second sentence of paragraph 3, the already determined sums of the local allocation taxes for other local bodies shall not be affected thereby.
6. If the aggregate sum of the ordinary allocation tax to be granted in a fiscal year falls short of the total sum of the ordinary allocation tax to be granted to each local body as computed under the second sentence of paragraph 2, such deficits shall be covered from the sum of the special allocation tax for the same fiscal year.

(Basic Financial Needs)

Article 11. The basic financial needs shall be computed by multiplying each unit cost by the numerical value of the applicable yardstick which has been modified under Article 13 and adding together the results thereof.

Article 12. The yardsticks of the expenses for local administration shall be as enumerated below in the column of yardsticks, according to the categories of local bodies and of the expenses.

Local Bodies	Expenses	Yardsticks
Do, Fu and	I. Police Expenses	Number of police personnel

Ken	II. Civil Engineering Expenses 1. Road and Bridge Expenses (1) Working Expenses (2) Investment Expenses	Area of roads Extension of roads
	2. River Expenses (1) Working Expenses (2) Investment Expenses 3. Harbor Expenses (1) Working Expenses (2) Investment Expenses 4. Other civil Engineering (1) Working Expenses (2) Investment Expenses	Extension of rivers Extension of rivers Extension of mooring in harbors Extension of mooring in fishing ports Extension of mooring in harbors Extension of mooring in fishing ports Population Population
	III. Education Expenses 1. Elementary School Expenses 2. Junior High School Expenses 3. Senior High School Expenses (1) Working Expenses (2) Investment Expenses 4. Special Education Expenses (1) Working Expenses (2) Investment Expenses 5. Other Educational Expenses	Number of educational personnel Number of educational personnel Number of educational personnel Number of pupils Number of pupils Number of educational personnel Number of pupils Number of classes Number of classes Population Number of students of technical college and universities Number of pupils of whole private schools

	<p>IV. Welfare and Labor Expenses</p> <p>1. Poor Relief Expenses</p> <p>2. Social Welfare Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>3. Sanitation Expenses</p> <p>4. Health and Welfare Expenses for Elderly People</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Rural population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Over 65 years old population</p> <p>Over 70 years old population</p> <p>Over 65 years old population</p>
	<p>5. Labor Expenses</p>	<p>Population</p>
	<p>V. Industry and Economy Expenses</p> <p>1. Agricultural Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Forestry Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>3. Fishery Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>4. Commercial and Industrial Administration Expenses</p>	<p>Number of farms</p> <p>Area of arable land</p> <p>Area of no public forest</p> <p>Area of public forest</p> <p>Area of forests</p> <p>Number of fisherman</p> <p>Number of fisherman</p> <p>Population</p>
	<p>VI. Other administrative Expenses</p> <p>1. Planning and Promotion Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Taxation Expenses</p> <p>3. Pension Expenses</p> <p>4. Other Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Population</p> <p>Population</p> <p>Number of households</p> <p>Number of pensioners</p> <p>Population</p> <p>Population</p> <p>Area</p>
	<p>VII. Disaster Recovery Expenses</p>	<p>Expenses for principal and interest payment of contented or permitted local debts for the purpose of disaster recovery projects</p>
	<p>VIII. Redemption Expenses of Debt for Supplementary Budget</p>	<p>Expenses for principal and interest payment of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years from Showa 50 to Heisei 10</p>

		Amount of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years of Heisei 11 and 12
	IX. Redemption Expenses of Debt for Filling the Decreased Local Tax Receipt	Amount of permitted local debts for the purpose of filling the decreased local tax receipt for the fiscal years from Showa 56 to Heisei 12
	X. Redemption Expenses of Debt for Local Financial Special Measurement	Amount of permitted local debts for the purpose of local financial special measurement for the fiscal years from Showa 57 to Heisei 5
	XI. Redemption Expenses of Debt for Temporary Financial Special Case	Amount of permitted local debts for the purpose of temporary financial special measurement for the fiscal years from Showa 62 to Heisei 12
	XII. Redemption Expenses of Debt for Financial Special Measurement of Public Works	Amount of permitted local debts for the purpose of financial special measurement of public works in the fiscal year Heisei 5
	XIII. Redemption Expenses of Debt for Fiscal Resource Coverage	Amount of permitted local debts for the purpose of financial measurement for the fiscal years from Heisei 6 to Heisei 12
	XIV. Redemption Expenses of Debt for Filling the Tax Cut	Possible amount of local debts for the purpose of filling the decreased local tax receipt caused by the special tax cut of the individual prefectural locality tax etc. for the fiscal years from Heisei 6 to 8 and from 10 to 12
	XV. Redemption Expenses of Debt for Filling the Temporary Decreased Local Tax Receipt	Possible amount of local debts for the purpose of filling the temporary decreased local tax receipt for the fiscal years of Heisei 9
City, town and village	1. Fire Fighting Expenses	Population
	II. Civil Engineering Expenses 1. Road and Bridge Expenses (1) Working Expenses (2) Investment Expenses	Area of roads Extension of roads
	2. Harbor Expenses (1) Working Expenses (2) Investment Expenses	Extension of mooring in harbors Extension of mooring in fishing ports Extension of outlying facilities in harbors Extension of outlying facilities in fishing ports
	3. Civil Planning Expenses (1) Working Expenses (2) Investment Expenses	Population within city planning areas Population within city planning areas
	4. Park Expenses (1) Working Expenses (2) Investment Expenses	Population Population
	5. Sewage Expenses (1) Working Expenses (2) Investment Expenses	Population Population
6. Other City Engineering Expenses (1) Working Expenses (2) Investment Expenses	Population Population	

	<p>III. Education Expenses</p> <p>1. Elementary School Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>2. Junior High School Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>3. Senior High School Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>4. Other Educational Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>IV. Welfare Expenses</p> <p>1. Poor Relief Expenses</p> <p>2. Social Welfare Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>3. Health and Sanitation Expenses</p> <p>4. Health and Welfare Expenses for Elderly People</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p> <p>5. Cleaning Expenses</p> <p>(1) Working Expenses</p> <p>(2) Investment Expenses</p>	<p>Number of pupils</p> <p>Number of classes</p> <p>Number of schools</p> <p>Number of classes</p> <p>Number of pupils</p> <p>Number of classes</p> <p>Number of schools</p> <p>Number of classes</p> <p>Number of educational personnel</p> <p>Number of pupils</p> <p>Number of pupils</p> <p>Population</p> <p>Number of pupils of nursery schools</p> <p>Population</p> <hr/> <p>Urban population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Over 65 years old population</p> <p>Over 70 years old population</p> <p>Over 65 years old population</p> <p>Population</p> <p>Population</p>
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	<p>V. Industry and Economy Expenses</p> <p>1. Agricultural Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Commercial Administration Expenses</p> <p>3. Other Industry and Economy Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Number of farms</p> <p>Number of farms</p> <p>Population</p> <p>Number of the persons engaged in forestry, fishery and mining</p> <p>Number of the persons engaged in forestry, fishery and mining</p>
	<p>VI. Other administration Expenses</p> <p>1. Planning and Promotion Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Taxation Expenses</p> <p>3. Census and Identification Expenses</p>	<p>Population</p> <p>Population</p> <p>Number of households</p> <p>Number of pensioners</p> <p>Number of households</p>
	<p>4. Other Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Population</p> <p>Area</p> <p>Population</p> <p>Area</p>
	<p>VII. Disaster Recovery Expenses</p>	<p>Expenses for principal and interest payment of contented or permitted local debts for the purpose of disaster recovery projects</p>
	<p>VIII. Redemption Expenses for Debts for Remote Place Improvement Projects</p>	<p>Expenses for principal and interest payment of local debts authorized for the purpose of remote place improvement projects</p>
	<p>IX. Redemption Expenses of Debt for Supplementary Budget</p>	<p>Expenses for principal and interest payment of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years from Showa 50 to Heisei 10</p> <p>Amount of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years of Heisei 11 and 12</p>
	<p>X. Redemption Expenses of Debt for Filling the Decreased Local Tax Receipt</p>	<p>Amount of permitted local debts for the purpose of filling the decreased local tax receipt for the fiscal years from Showa 56 to Heisei 12</p>

XI. Redemption Expenses of Debt for Local Financial Special Measurement	Amount of permitted local debts for the purpose of local financial special measurement for the fiscal years from Showa 57 to Heisei 5
XII. Redemption Expenses of Debt for Temporary Financial Special Case	Amount of permitted local debts for the purpose of temporary financial special measurement for the fiscal years from Showa 63 to Heisei 12
XIII. Redemption Expenses of Debt for Financial Special Measurement of Public Works	Amount of permitted local debts for the purpose of financial special measurement of public works in the fiscal year Heisei 5
XIV. Redemption Expenses of Debt for Fiscal Resource Coverage	Amount of permitted local debts for the purpose of financial measurement for the fiscal years from Heisei 6 to Heisei 12
XV. Redemption Expenses of Debt for Filling the Tax Cut	Possible amount of local debts for the purpose of filling the decreased local tax receipt caused by the special tax cut of the individual prefectural locality tax etc. for the fiscal years from Heisei 6 to 8 and from 10 to 12
XVI. Redemption Expenses of Debt for Filling the Temporary Decreased Local Tax Receipt	Possible amount of local debts for the purpose of filling the temporary decreased local tax receipt for the fiscal years of Heisei 9

2. (Omitted)
3. The unit costs according to the measurement units enumerated in paragraph 1 shall be fixed in Annex to this law.
4. If there arises the need of revising the unit cost due to a change in the system relative to local administration or other special reasons, special measures may be taken upon such unit cost by cabinet order, only if the Diet is out of session. In such a case the government shall take a step to amend this law in the next session of the Diet.

(Modification of yardsticks)

Article 13.

With respect to the area, number of pupils of senior high schools and such other yardsticks as may be further classified according to the difference in cost per unit, the numerical values thereof may be modified according to such classes.

2. The modification of the numerical value of a yardstick under the preceding paragraph (hereinafter referred to as "class modification") shall be made by multiplying the numerical value of each class of the yardstick by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications on the basis of the difference in cost per unit.
3. The numerical value computed under paragraph 2 of the preceding article and the preceding two paragraphs shall be modified by multiplying by the modification index computed under paragraph 4 on the basis of the following conditions of each local body.
 - (1) Grading on the basis of the size of population and the numerical values of other yardsticks;
 - (2) Population density, number of automobiles per one kilometer road and such others;
 - (3) Conditions of local bodies;
 - (4) Coldness and snowfall;
4. The modification indices for numerical values of yardsticks, as provided for in the preceding paragraph, shall be prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications according to each category of expenses and each yardstick, on the basis of each of the following methods :
 - (1) The modification under the item 1 of the preceding paragraph (hereinafter referred to as "grade

modification") shall be made upon such administrative expenses as may decrease or increase successively according as the numerical value of the yardstick increases or decreases. The index of grade modifications shall be determined by dividing the numerical value computed by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications by means of excessive regression or progression by the numerical value computed without using such ratio. With respect to such expenses as may increase or decrease according to the differences in administrative powers, etc. so that the modification under item 3a. below is applicable, the index of such grade modification may be determined by multiplying the numerical value of the yardstick for such expenses by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications in accordance with the degree of such increase or decrease.

- (2) The modification under item 2 of the preceding paragraph (hereinafter referred to as "density modification") shall be made upon such administrative expenses as may decrease or increase successively according as the population density, number of automobiles per one kilometer road and such others (hereinafter referred to as "density, etc.") increases or decreases. The index of density modification shall be determined by dividing the density, etc. computed by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications by means of excessive regression or progression by the density, etc. computed without using such ratio.
- (3) The modification under item 3 of the preceding paragraph (hereinafter referred to as "conditional modification") shall be made upon the administrative expenses whose unit cost increases or decreases according to the conditions of a local body. The index of conditional modification shall be determined in the following ways:
 - a. The conditional modification for Do, Fu or Ken First, multiply the numerical values of the yardsticks for each category of cities, towns or villages within the area (if the use of such numerical values is impracticable or improper, the population or other numerical values specified by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications may be used in lieu thereof) by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications for each category of the whole or a part of cities, towns or villages on the basis of the degree of increase or decrease according to the differences in the quality and quantity of administration or in administrative powers, etc. Second, add together such products obtained for all the cities, towns or villages within the area. Third, add together the numerical values of the yardsticks for all the cities, towns or villages within the area without using the above-mentioned ratio. Fourth, divide such sum by the sum obtained by the second calculation above. The resulting quotient is the index sought for.
 - b. The conditional modification for cities, towns or villages First, multiply the numerical value of the yardstick by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications for each category of cities, towns or villages on the basis of the degree of increase or decrease according to the differences in the quality and quantity of administration or in administrative powers, etc. Second, divide such product by the numerical value computed without using such ratio.
 - c. The conditional modification for Elementary School Expenses, Junior High School Expenses, Social Welfare Expenses, Labor Expenses and other expenses specified by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications- First, obtain the numerical value by using the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications on the basis of the degree of need for such expenses according to the population composition by age, the conditions of public facilities etc., measured by the indices specified by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications. Second, divide such numerical value by the numerical value computed without using such ratio.
- (4) The modification under item 4 of the preceding paragraph (hereinafter referred to as "coldness

modification") shall be made upon the administrative expenses whose unit cost increase according to the degree of coldness or snowfall. The index of coldness modification shall be determined as follows: First, multiply the numerical value of the yardstick for the region (with respect to the expenses prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications for which the use of such numerical value is impracticable or improper, the population may be used in lieu thereof) by the ratio prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications on the basis of the degree of increase of expenses for each region in accordance with the difference in compensation, coldness or snowfall. Second, divide such numerical value by the numerical value computed without using such ratio.

5. The numerical values of the yardsticks shall, except as provided in paragraph 10 below, be modified according to the categories of local bodied and the expenses thereof as tabulated below:

(Abbreviations: C. for class, G. for grade, D. for density Con. for conditional Col. for coldness modification.)

Local Bodies	Expenses	Yardsticks	Modification
Do, Fu and Ken	I. Police Expenses	Number of police personnel	G, Con. and Col.
	II. Civil Engineering Expenses		
	1. Road and Bridge Expenses	Area of roads	C., D., Con. and Col.
	(1)Working Expenses	Extension of roads	Con. and Col.
	2. River Expenses	Extension of rivers	C., Con. and Col.
	(1)Working Expenses	Extension of rivers	Con.
	(2)Investment Expenses		
	3. Harbor Expenses	Extension of mooring in harbors	C., Con. and Col.
	(1)Working Expenses	Extension of mooring in fishing ports	Con. and Col.
	(2)Investment Expenses	Extension of outlying facilities in harbors	Con.
		Extension of outlying facilities in fishing ports	Con.
	4. Other civil Engineering	Population	
	(1)Working Expenses	Population	G, D. and Con.
	(2)Investment Expenses		Con.

<p>III. Education Expenses</p> <p>1. Elementary School Expenses</p> <p>2. Junior High School Expenses</p> <p>3. Senior High School Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>4. Special Education Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>5. Other Educational Expenses</p>	<p>Number of educational personnel</p> <p>Number of educational personnel</p> <p>Number of educational personnel</p> <p>Number of pupils</p> <p>Number of pupils</p> <p>Number of educational personnel</p> <p>Number of pupils</p> <p>Number of classes</p> <p>Number of classes</p> <p>Population</p> <p>Number of students of technical college and universities</p> <p>Number of pupils of whole private schools</p>	<p>Con. and Col.</p> <p>Con. and Col.</p> <p>C., Con. and Col.</p> <p>C., Con. and Col.</p> <p>Con. and Col.</p> <p>C., Con. and Col.</p> <p>C., D., Con. And Col.</p> <p>C., Con. and Col.</p> <p>Con. and Col.</p> <p>G, D. and Con.</p> <p>C., Con. and Col.</p> <p>C.</p>
<p>IV. Welfare and Labor Expenses</p> <p>1. Poor Relief Expenses</p> <p>2. Social Welfare Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>3. Sanitation Expenses</p> <p>4. Health and Welfare Expenses for Elderly People</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>5. Labor Expenses</p>	<p>Rural population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Over 65 years old population</p> <p>Over 65 years old population</p> <p>Population</p>	<p>D., Con. and Col.</p> <p>G, D. and Con.</p> <p>Con.</p> <p>G, D., and Con.</p> <p>G, D. and Con.</p> <p>Con.</p> <p>G, D. and Con.</p>
<p>V. Industry and Economy Expenses</p> <p>1. Agricultural Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Forestry Administration Expenses</p> <p>(1)Working Expenses</p>	<p>Number of farms</p> <p>Area of arable land</p> <p>Area of no public forest</p>	<p>G, D., Con. and Col.</p> <p>Con.</p> <p>G, Con. and Col.</p>

<p>(2)Investment Expenses 3. Fishery Administration Expenses (1)Working Expenses (2)Investment Expenses 4. Commercial and Industrial Administration Expenses</p>	<p>Area of public forest Area of forests Number of fisherman Number of fisherman Population</p>	<p>G, Con. and Col. Con. G, Con. and Col. Con. G, D. and Con.</p>
<p>VI. Other administrative Expenses 1. Planning and Promotion Expenses (1)Working Expenses (2)Investment Expenses 2. Taxation Expenses 3. Pension Expenses 4. Other Expenses (1)Working Expenses (2)Investment Expenses</p>	<p>Population Population Number of households Number of pensioners Population Population Area</p>	<p>G, D. and Con. Con. G, D., Con., and Col. C. G, D., Con. and Col. Con. and Col. Con.</p>
<p>VII. Disaster Recovery Expenses</p>	<p>Expenses for principal and interest payment of contented or permitted local debts for the purpose of disaster recovery projects</p>	<p>C.</p>
<p>VIII. Redemption Expenses of Debt for Supplementary Budget</p>	<p>Expenses for principal and interest payment of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years from Showa 50 to Heisei 10 Amount of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years of Heisei 11 land 12</p>	<p>C. C.</p>
<p>IX. Redemption Expenses of Debt for Filling the Decreased Local Tax Receipt</p>	<p>Amount of permitted local debts for the purpose of filling the decreased local tax receipt for the fiscal years from Showa 56 to Heisei 12</p>	<p>C.</p>
<p>X. Redemption Expenses of Debt for Local Financial Special Measurement</p>	<p>Amount of permitted local debts for the purpose of local financial special measurement for the fiscal years from Showa 57 to Heisei 5</p>	<p>C.</p>
<p>XI. Redemption Expenses of Debt for</p>	<p>Amount of permitted local debts for the</p>	<p>C.</p>

	Temporary Financial Special Case	purpose of temporary financial special measurement for the fiscal years from Showa 62 to Heisei 12	
	XII. Redemption Expenses of Debt for Fiscal Resource Coverage	Amount of permitted local debts for the purpose of financial measurement for the fiscal years from Heisei 6 to Heisei 12	C.
	XIII. Redemption Expenses of Debt for Filling the Tax Cut	Possible amount of local debts for the purpose of filling the decreased local tax receipt caused by the special tax cut of the individual prefectural locality tax etc. for the fiscal years from Heisei 6 to 8 and from 10 to 12	C.
	XIV. Redemption Expenses of Debt for Filling the Temporary Decreased Local Tax Receipt	Possible amount of local debts for the purpose of filling the temporary decreased local tax receipt for the fiscal years of Heisei 9	C.
City, town and	I. Fire Fighting Expenses	Population	G, Con. and Col.

village	<p>II. Civil Engineering Expenses</p> <p>1. Road and Bridge Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Harbor Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>3. Civil Planning Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>4. Park Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>5. Sewage Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>6. Other City Engineering Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Area of roads</p> <p>Extension of roads</p> <p>Extension of mooring in harbors</p> <p>Extension of mooring in fishing ports</p> <p>Extension of mooring in harbors</p> <p>Extension of mooring in fishing ports</p> <p>Population within city planning areas</p> <p>Population within city planning areas</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Population</p>	<p>C., Con. and Col.</p> <p>Con. and Col.</p> <p>C., Con. and Col.</p> <p>Con. and Col.</p> <p>Con.</p> <p>Con.</p> <p>Con.</p> <p>Con.</p> <p>Con.</p> <p>Con.</p> <p>Con.</p> <p>D. and Con.</p> <p>Con.</p> <p>C. and Con.</p> <p>Con.</p>
	<p>III. Education Expenses</p> <p>1. Elementary School Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Junior High School Expenses</p> <p>(1)Working Expenses</p>	<p>Number of pupils</p> <p>Number of classes</p> <p>Number of schools</p> <p>Number of classes</p> <p>Number of pupils</p> <p>Number of classes</p>	<p>D., Con. and Col.</p> <p>Con. and Col.</p> <p>Con. and Col.</p> <p>Con. and Col.</p> <p>D., Con. and Col.</p> <p>Con. and Col.</p>

	<p>(2)Investment Expenses</p> <p>3. Senior High School Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>4. Other Educational Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Number of schools</p> <p>Number of classes</p> <p>Number of educational personnel</p> <p>Number of pupils</p> <p>Number of pupils</p> <p>Population</p> <p>Number of pupils of nursery schools</p> <p>Population</p>	<p>Con. and Col.</p> <p>Con. and Col.</p> <p>C., Con. and Col.</p> <p>C., Con. and Col.</p> <p>Con. and Col.</p> <p>G, D. and Con.</p> <p>Con. and Col.</p> <p>Con.</p>
	<p>IV. Welfare Expenses</p> <p>1. Poor Relief Expenses</p> <p>2. Social Welfare Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>3. Health and Sanitation Expenses</p> <p>4. Health and Welfare Expenses for Elderly People</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>5. Cleaning Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Urban population</p> <p>Population</p> <p>Population</p> <p>Population</p> <p>Over 65 years old population</p> <p>Over 65 years old population</p> <p>Population</p> <p>Population</p>	<p>G, D., Con. and Col.</p> <p>G, D. and Con.</p> <p>Con.</p> <p>G. D. and Con.</p> <p>G. D. and Con.</p> <p>Con.</p> <p>D. and Con.</p> <p>Con.</p>
	<p>V. Industry and Economy Expenses</p> <p>1. Agricultural Administration Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Commercial Administration Expenses</p> <p>3. Other Industry and Economy Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Number of farms</p> <p>Number of farms</p> <p>Population</p> <p>Number of the persons engaged in forestry, fishery and mining</p> <p>Number of the persons engaged in forestry, fishery and mining</p>	<p>G, Con. and Col.</p> <p>Con.</p> <p>G, D. and Con.</p> <p>D., Con. and Col.</p> <p>Con.</p>

	<p>VI. Other administration Expenses</p> <p>1. Planning and Promotion Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p> <p>2. Taxation Expenses</p> <p>3. Census and Identification Expenses</p> <p>4. Other Expenses</p> <p>(1)Working Expenses</p> <p>(2)Investment Expenses</p>	<p>Population</p> <p>Population</p> <p>Number of households</p> <p>Number of pensioners</p> <p>Number of households</p> <p>Population</p> <p>Population</p> <p>Area</p>	<p>C., D. and Con.</p> <p>Con.</p> <p>G. D., Con. And Col.</p> <p>G. D., Con. And Col.</p> <p>G. D., Con. And Col.</p> <p>G. D., Con. And Col.</p> <p>Con. and Col.</p> <p>Con.</p>
	<p>VII. Disaster Recovery Expenses</p>	<p>Expenses for principal and interest payment of contented or permitted local debts for the purpose of disaster recovery projects</p>	<p>C.</p>
	<p>VIII. Redemption Expenses of Debt for Supplementary Budget</p>	<p>Expenses for principal and interest payment of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years from Showa 50 to Heisei 10</p> <p>Amount of permitted local debts for the purpose of national government supplementary budget project etc. for the fiscal years of Heisei 11 and 12</p>	<p>C.</p> <p>C.</p>
	<p>IX. Redemption Expenses of Debt for Filling the Decreased Local Tax Receipt</p>	<p>Amount of permitted local debts for the purpose of filling the decreased local tax receipt for the fiscal years from Showa 56 to Heisei 12</p>	<p>C.</p>
	<p>X. Redemption Expenses of Debt for Local Financial Special Measurement</p>	<p>Amount of permitted local debts for the purpose of local financial special measurement for the fiscal years from Showa 57 to Heisei 5</p>	<p>C.</p>
	<p>XI. Redemption Expenses of Debt for Temporary Financial Special Case</p>	<p>Amount of permitted local debts for the purpose of temporary financial special measurement for the fiscal years from Showa 63 to Heisei12</p>	<p>C.</p>
	<p>XII. Redemption Expenses of Debt for Fiscal Resource Coverage</p>	<p>Amount of permitted local debts for the purpose of financial measurement for the fiscal years from Heisei 6 to Heisei</p>	<p>C.</p>

		12	
	XIII. Redemption Expenses of Debt for Filling the Tax Cut	Possible amount of local debts for the purpose of filling the decreased local tax receipt caused by the special tax cut of the individual prefectural locality tax etc. for the fiscal years from Heisei 6 to 8 and from 10 to 12	C.
	XIV. Redemption Expenses of Debt for Filling the Temporary Decreased Local Tax Receipt	Possible amount of local debts for the purpose of filling the temporary decreased local tax receipt for the fiscal years of Heisei 9	C.

6. In case any two or more of grade, density, conditional and coldness modifications are simultaneously applied, one combined modification index for such two or more categories shall be determined, or each index computed for each category (or combined index for two or more categories) shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be successively multiplied or added together.
7. In case of conditional modifications, cities, towns or villages under item 3 of paragraph 4 shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be classified according to their points which are given to their population within the densely populated areas, economic structure, and other yardsticks indicating the difference in quality and quantity of administration, or be classified according to the difference in their administrative powers, etc.
8. In case of coldness modifications, the regions under item 4 of paragraph 4 shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be classified according to the areas of cities, towns and villages on the basis of the difference in compensation, coldness and snowfall.
9. Exceptions may be made by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications to the provisions of the preceding paragraphs with respect to the computation methods of modification indices and numerical values of modified yardsticks for the local bodies whose numerical values of population, number of schools and other yardsticks have increased or decreased rapidly, local bodies affected by abolition, creation, division or fusion or redemarcation of local bodies, and local bodies being member of a union (which refers to a partial union, an extended association or an office work union under paragraph 1 of Article 284 of the Local Autonomy Law).
10. The numerical values of the yardsticks relative to the disaster recovery expenses shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be modified according to the proportions of such numerical values to the tax revenues of the local bodies.
11. Except as provided in the preceding paragraphs, necessary matters relative to the computation methods to modification index shall be provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications

(Computation of Basic Financial Revenues)

Article 14. The basic financial revenues shall be equal to the total sum of the following revenues:

1. For Do, Fu or Ken
 - i. Estimated revenues of ordinary taxes (exclusive of non-statutory taxes) of the Do, Fu or Ken computed at the basic tax rates (As for estimating revenue from the per interest income tax, the estimated revenue of such tax of the Do, Fu or Ken computed at the basic tax rate less 80 per cent of the estimated amount of the grant-in-aid relative to the per interest income tax, as for estimating revenue from local consumption tax, the estimated revenue of such tax of the Do, Fu or Ken computed at the basic tax rate less 80 per cent of the estimated amount of

- the grant-in-aid relative to the local consumption tax to be granted to the cities, towns or villages under Article 72-115 of the Local Tax Law (referred hereinafter to as "local consumption tax grant"), and as for the golf links excises, the estimated revenue of such tax of the Do, Fu or Ken computed at the basic tax rate less 80 per cent of the estimated amount of the grant-in-aid relative to the golf links excises to be granted to the cities, towns or villages where golf links are located under Article 103 of the Local Tax Law (referred hereinafter to as "golf links excises grant");
- ii. Estimated revenue of automobile acquisition tax of the Do, Fu or Ken computed at the basic tax rate, less 80 per cent of the estimated amount of the grant-in-aid relative to the automobile acquisition tax to be granted to the cities, towns or villages under Article 699-32 of the Local Tax Law (referred hereinafter to as "automobile acquisition tax grant");
 - iii. Estimated revenue of light oil sales tax, or, in case of Do, Fu or Ken comprising cities specified under paragraph 3 of Article 7 of the Road Law (hereinafter referred to as "specified cities"), the estimated revenue of the light oil sales tax of such Do, Fu or Ken computed at the basic tax rate, less 80 per cent of the estimated amount of the grant-in-aid relative to the light oil sales tax to be granted to such specified cities under paragraph 1 of Article 700-49 of the Local Tax Law (referred hereinafter to as "light oil sales tax grant");
 - iv. Estimated revenues of local road grant tax, petroleum and gas grant tax and aircraft fuel grant tax of the Do, Fu or Ken;
 - v. Estimated revenue of the grant-in-aid to To, Do, Fus and Kens comprising State-owned estates of the Do, Fu or Ken under paragraph 1 of Article 14 of the Law for Grant-in-aid to Cities, Towns and Villages Comprising State-owned Estates etc. (Law No. 82 of 1956) (referred hereinafter to as "grants to To, Do, Fus and Kens") computed at the basic rate.
2. For cities, towns or villages:
 - i. Estimated revenues of ordinary taxes (exclusive of non-statutory taxes) and business facility tax of the city, town or village computed at the basic tax rates;
 - ii. The amount equal to 75 per cent of the estimated revenues of per interest income tax grant, local consumption tax grant, golf links excises grant and automobile acquisition tax grant of the city, town or village;
 - iii. Estimated revenues of special grant tonnage tax, local road grant tax, automobile weight grant tax and aircraft fuel grant tax of the city, town or village;
 - iv. Estimated revenue of the grant-in-aid to cities, towns and villages comprising State-owned estates of the city, town or village under paragraph 1 of Article 2 of the Law for Grant-in-aid to Cities, Towns and Villages Comprising State-owned Estates etc. (referred hereinafter to as "grants to cities, towns and villages") computed at the basic rate.
 3. For specified cities:
 - i. Estimated revenues of ordinary taxes (exclusive of non-statutory taxes) and business facility tax of the city computed at the basic tax rates;
 - ii. The amount equal to 75 per cent of the estimated revenues of per interest income tax grant, local consumption tax grant, golf links excises grant, automobile acquisition tax grant and light oil sales tax grant of the city;
 - iii. Estimated revenues of special grant tonnage tax, local road grant tax, petroleum and gas grant tax, automobile weight tax grant and aircraft fuel grant tax of the city;
 - iv. Estimated revenue of the grants to cities, towns and villages of the city computed at the basic rate.
- (2) The basic tax rates as referred to in the preceding paragraph shall be the rates equal to 80 per cent in case of Do, Fu or Ken tax or 75 per cent in case of city, town or village tax of the standard rates as referred to in item 5 of paragraph 1 of Article 1 of the Local Tax Law (or as for local taxes with no such standard rates, the tax rates as provided for in the same law); (AS for business tax imposed with based on taxable measures as referred to in item 9 of paragraph 72-19 of the same law, the rates shall be equal to 80 per cent of the rate provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications based on the rate the Do, Fu or Ken decides under the item 9 of paragraph 72-22 of the same law); the basic rate as referred to in the

preceding paragraph shall be the rate equal to 80 per cent in case of grants to To, Do, Fus and Kens or 75 per cent in case of grants to cities, towns and villages of the rate prescribed in paragraph 1 of Article 3 of the Law for Grants-in-aid to Cities, Towns and Villages Comprising State-owned Estates, etc..

- (3) The basic financial revenues of the first paragraph of this Article shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be computed according to each category of the expenses enumerated in the middle column of the following table, by the bases of computation described in the right column, for each category of local bodies enumerated in the left column.

Local Bodies	Revenues	Bases of Computation
Do, Fu and Ken	I. Tax for Do, Fu or Ken Residents 1. Per Capita	The number of taxable persons, upon which the per capita tax of the preceding fiscal year was based. The number of taxpayers and the total taxable income upon which the per income tax of the preceding fiscal year was based. The total amount of the taxable income etc. of the per corporation tax for the latest business year of the corporations with offices or businesses places in the area of the Do, Fu or Ken. The amount of the taxable income etc. of the preceding fiscal year.
	2. Per Income	
	3. Per Corporation Tax	
	4. Per Interest Income	
	II. Business Tax 1. Business Tax on Individuals	
2. Business Tax on Corporations	The amount of income upon which the business tax of the preceding fiscal year was based, and the number of taxable persons. The amount of the taxable income etc. of the business tax for the latest business year of the corporation with offices or businesses places in the area of the Do, Fu or Ken.	
III. Local Consumption Tax 1. Per Transfer	The amount of the tax base etc. of the per transfer tax of the preceding fiscal year. The amount of the tax base etc. of the per freight tax of the preceding fiscal year.	
2. Per Freight		
IV. Real Estate Acquisition Tax	The amount of the tax base etc, of the real estate acquisition tax of the two preceding fiscal years.	
V. Do, Fu or Ken Tobacco Excises	The taxable value of the Do, Fu or Ken tobacco excises in the preceding fiscal year.	

	VI. Golf Links Excises	The total number of users of golf links located in the Do, Fu or Ken.
	VII. Automobile Tax	The number of automobiles, regular garages of which are located within the area of the Do, Fu or Ken.
	VIII. Mining Tax	The area of mining districts registered in the mining register as provided in Article 59 of the Mining Law (Law No. 289 of 1950) or the extension of the riverbeds forming mining districts under paragraph 13 of the Supplementary Provisions of the Local Tax Law, and the are of mutual development mining districts registered in the special mining register as provided in Article 32 of the Special Measures on the oil and inflammable natural gas resources development with the implementation of the agreement between Japan and Republic of Korea on the mutual development of Southern continental shelf adjunct to both countries (Law No. 81 of 1978).
Do, Fu and Ken	IX. Game Tax	The number of game licensees under the Wildlife Protection and Hunting Law (Law No. 32 of 1918) in the preceding fiscal year.
	X. Property Tax	The total taxable value in the fiscal year of the large depreciable property as provided in Article 349-4 of the Local Tax Law or the newly built large depreciable property as provided in Article 349-5 of the same law within the area of the Do, Fu or Ken, upon which such Do, Fu or Ken may impose property tax under Article 740 of the same law, less such portion of the taxable value upon which cities, towns or villages may impose property tax under Article 349-4 or 349-5 of the same law.
	XI. Automobile Acquisition Tax	The number of automobiles acquired and regular garages of which were located within the area of Do, Fu or Ken in the preceding fiscal year.
	XII. Light Oil Sales Tax	The total quantity upon which the light oil sales tax in the preceding fiscal year was based.
	XIII. Local Road Grant Tax	The amount of the local road grant tax granted in the preceding fiscal year.
	XIV. Petroleum and Gas Grant Tax	The amount of the petroleum and gas grant tax granted in the preceding fiscal year
	XV. Aircraft Fuel Grant Tax	The amount of the aircraft fuel grant tax granted in the preceding fiscal year.
	XVI. Grants to To, Do, Fus and Kens	The total standard value of the large depreciable property or the newly built large depreciable property as provided respectively in Article 5 or 6 of the Law for Grants-in-aid to Cities, Towns and

		Villages Comprising State-owned Estates, etc. within the area of the Do, Fu or Ken, for which the grant to To, Do, Fus and Kens are granted to the Do, Fu or Ken as provided in the paragraph 1 of Article 14, less such portion of the same standard value of such property, on the basis of which cities, towns of villages shall draw grants as provided in Article 5 or 6 of the same law.
City, Town and Village	I. Tax for City, Town or Village Residents 1. Per Capita 2. Per Income	The number of taxable persons, upon which the per capita tax of the preceding fiscal year was based. The number of taxpayers and the total taxable income upon which the per income tax of the preceding fiscal year was based.
	3. Per Corporation Tax	The total amount of the taxable income etc. of the per corporation tax for the latest business year of the corporations with offices or businesses places in the area of the city, town, or village.
	II. Property Tax 1. Land 2. Houses 3. Depreciable Property	Average prices of lands per Tsubo and total areas for each land category, in the city town or village. Average prices of houses per Tsubo and total floor spaces, in the city, town or village. (1)As for depreciable properties, the prices of which are decided and apportioned by the Minister of Public Management ,Home Affairs, Posts and Telecommunications or the governor of To, Do, Fu or Ken under Article 389 of the Local Tax Law: The sum of the apportioned prices. (2)As for other depreciable properties: The total amount to be used as property tax bases of the City, town or village.
	III. Light Car Tax	The number of light cars for each car category regular garages of which are located within the area of the city, town or village.
	IV. City, Town or Village Tobacco Excises	The taxable value of the city, town or village tobacco excises in the preceding fiscal year.
	V. Mining Tax	The amount of products and f.o.b. price of each mineral.
	VI. Special Land Owning Tax	The total amount of tax bases of the special land

		owning tax in the preceding fiscal year.
	VII. Business Facility Tax	The total amount of tax bases of the business facility tax in the preceding fiscal year. (As for a city which introduces and imposes the business facility tax for the first time in this fiscal year, floor space of the facility, sum of the employee salaries and new additional facility floor space, upon which the business facility tax in this fiscal year is based.
	VIII. Per Interest Income Tax Grant	The amount of the per interest income tax grant granted in the preceding fiscal year.
	IX. Local Consumption Tax Grant	The amount of the local consumption tax grant granted in the preceding fiscal year.
	X. Golf Links Excises Grant	The total number of the users of the golf links located in the city, town or village.
	XI. Automobile Acquisition Tax Grant	The amount of the automobile acquisition tax grant granted in the preceding fiscal year.
	XII. Light Oil Sales Tax Grant	The amount of the light oil sales tax grant granted in the preceding fiscal year.
	XIII. Special Grant Tonnage	The amount of the special grant tonnage granted in the preceding fiscal year.
	XIV. Local Road Grant Tax	The amount of the local road grant tax granted in the preceding fiscal year.
City, Town and Village	XV. Petroleum and Gas Grant Tax	The amount of the petroleum and gas grant tax granted in the preceding fiscal year
	XVI. Automobile Weight Grant Tax	The amount of the automobile weight grant tax granted in the preceding fiscal year.
	XVII. Aircraft Fuel Grant Tax	The amount of the aircraft fuel grant tax granted in the preceding flscal year.
	XVIII. rants to Cities, Towns and Villages	Total price of the properties each minister or chief executive informed to the mayor of the city, town ,or village where the State-owned properties are located under Article 7,8 or paragraph 1 of Article 10 of the Law for Grant-in-aid to Cities, Towns and Villages comprising State-owned Estates, etc...

(Exception to Basic Financial Revenues)

Article 14-2. If a city, town or village exempt or abate property tax on the following real estates under Article 6 of the Local Tax Law, and such exemption or abatement falls under the categories enumerated by cabinet order, the amount so exempted or abated shall, within the limits prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be deducted from what would otherwise be the basic financial revenues of such city, town or village in the current fiscal year, or, if such exemption or abatement takes place later than the date prescribed by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, in the following fiscal year.

1. Land of historic sites, scenic sites or protected natural objects designated under paragraph 1 of Article 69 of the Cultural Property Protection Law (Law No. 214 of 1950) or special historic sites, special scenic sites or special protected objects designated under paragraph 2 of the same article.
2. Buildings or land within the special conservation area designated under Article 6 and Article 7-2 of the Law for Special Measures to Conserve Historic Sites in Ancient Cities (Law No. 1 of 1966).

(Special Allocation Tax)

Article 15. The special allocation tax shall, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, be granted to the local bodies whose amount of ordinary allocation tax is deemed insufficient for their financial needs, even though due allowance be made for overestimation of the basic financial needs or underestimation of the basic financial revenues resulting from the mechanical computation methods thereof, for the reasons that :

- (1) There exist special financial needs not covered by the computation method of basic financial needs as provided by Article 11 ;
 - (2) The basic financial revenues computed under the preceding article are greatly overestimated in certain items;
 - (3) A special increase in financial needs or decrease in financial revenues have resulted from disasters (exclusive of those for which the State will bear the recovery expenses) or other accidents after the computation date of the allocation tax; or
 - (4) There are special circumstances.
2. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall determine twice the amount of special allocation tax as provided by the preceding paragraph every fiscal year. The first determination shall be done in December and the second determination shall be done in March. The aggregate sum of special allocation tax determined in December shall not exceed the amount equal to a third of the aggregate sum of special allocation tax in the current fiscal year.
3. When the Minister of Public Management, Home Affairs, Posts and Telecommunications, as provided by the first sentence of the preceding paragraph, determines the amount of special allocation tax, he shall inform the local body concerned to that effect.

(Time of Allocation)

Article 16. The allocation tax shall every fiscal year be granted in the months indicated in the left column of the table below, to the amount prescribed in the right column respectively. However, the whole or a part of the allocation tax to be granted in April or June may be withheld from the local bodies, which are anticipated to be granted a far smaller amount of ordinary allocation tax in current fiscal year, compared with that in the preceding fiscal year, or which are anticipated to be granted no ordinary allocation tax in the current fiscal year, though granted such tax in the preceding fiscal year.

Months	The Amounts to be granted
April and June	The amount equal to a quarter of the amount of ordinary allocation tax granted to the local body in the preceding fiscal year multiplied by the ratio of the total amount of allocation tax for the present fiscal year to that for the preceding fiscal year, each time.
September	The amount equal to a half of the amount of ordinary allocation tax to be granted in the present fiscal year, less the amount of ordinary allocation tax granted in April and June.
November	The amount of ordinary allocation tax to be granted in the present fiscal year, less the amount of ordinary allocation tax already granted.
December	The amount fixed in December by the Minister of Public Management, Home Affairs, Posts and Telecommunications under the paragraph 2 of the preceding article.
March	The amount fixed in March by the Minister of Public Management, Home Affairs, Posts and Telecommunications under the paragraph 2 of the preceding article.

2. If the national budget for a fiscal year fails to secure Diet approval, the total amount of allocation tax is revised due to the supplement or revision of the national budget, a large-scale natural disaster breaks out or otherwise there is a difficulty in keeping the time-table in the preceding paragraph, exceptions may be made by order of the Ministry of Public Management, Home Affairs, Posts and

Telecommunications to the months in which the allocation tax shall be granted and the amounts to be granted in such months, due allowances being made for the amount of the provisional budget of the State and the conditions to the Diet approval thereto, the degree of change in the total amount of allocation tax for the preceding year, special financial needs due to such large-scale natural disaster, etc.

3. If the amount of allocation tax actually granted to Do, Fu or Ken or city, town or village in accordance with the preceding two paragraphs exceeds the amount due thereto for the same fiscal year, such Do, Fu or Ken or city, town or village shall without delay refund such excess.
4. If a local body is abolished, created, divided or fused, or redemarcated within one year prior to the first of April or between the second of April and the time when the amount of ordinary allocation tax for April or June is granted, the amount of grant tax for the preceding fiscal year as referred to in paragraph 1 shall be computed, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, in the manner corresponding to Article 9.

(Duties of the Governor)

Article 17. The governor of To, Do, Fu or Ken shall, as provided by cabinet order, perform the affairs of computing the amount of allocation tax and of granting such allocation tax to cities, towns and villages within the area of such To, Do, Fu, or Ken.

2. The governor of To, Do, Fu, or Ken shall make best efforts to be fully informed of the financial status of such cities, towns and villages, to perform such affairs.

(Documents on National Tax)

Article 17-2. If the governor of To, Do, Fu or Ken requests the national government to make available to his inspection or recording any document on the amount of taxable income and national tax imposed, which is necessary for the computation of basic financial revenues of cities, towns and villages, as provided in Article 14, when he computes the amount of the allocation tax to be granted to cities, towns or villages in accordance with paragraph 1 of the preceding article, the national government shall make such document available to the inspection or recording by the governor of To, Do, Fu or Ken or any official designated by him.

(Inspection of Data)

Article 17-3. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall make inspections of the data used for the computation of the amount of allocation tax to To, Do, Fu or Ken and the cities, towns and villages designated by cabinet order.

2. The governor of To, Do, Fu or Ken shall make inspections of the data used for the computation of the amount of allocation tax to cities, towns and villages within the area of such To, Do, Fu, or Ken (exclusive of those designated by cabinet order in the preceding paragraph) and shall inform the Minister of Public Management, Home Affairs, Posts and Telecommunications of the result of the inspection.

(Opinion on the Way of Computation)

Article 17-4. Any local body may submit opinions on the way of computation of the amount of local allocation tax to the Minister of Public Management, Home Affairs, Posts and Telecommunications. A city, town or village shall file such opinion through the governor of To, Do, Fu or Ken.

2. The Minister of Public Management, Home Affairs, Posts and Telecommunications, upon receipts of such opinion under the preceding paragraph, shall treat them faithfully and inform the Local Finance Council of the result of such treatment when hearing the opinion of the Local Finance Council as provided by article 23.

(Appeal for Review)

- Article 18. When any local body is informed of decision or revision of the amount of local allocation tax under paragraph 4 of Article 10 or paragraph 3 of Article 15 and is dissatisfied with the base of computation of the amount of allocation tax thereto, he may appeal for review to the Minister of Public Management, Home Affairs, Posts and Telecommunications within thirty days from the day of such information. A city, town or village shall file such appeal through the governor of To, Do, Fu or Ken.
2. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall, upon receipt of such appeal, review the matter within thirty days from the day of receipt, and inform the local body of the ruling. If the appellant is a city, town or village, it shall be informed of the ruling through the governor of To, Do, Fu or Ken.

(Error)

- Article 19. If the Minister of Public Management, Home Affairs, Posts and Telecommunications finds an error in basic numbers used for computation of the amount of ordinary allocation tax, after he has informed the local body thereof under paragraph 4 of Article 10, or when he has received appeal for review under paragraph 1 of the preceding article (but within five fiscal years from the fiscal year in which such erroneous number was used as one of the basic numbers for computation of the amount of ordinary allocation tax (in the following paragraph referred to as "original fiscal year"), and there arises a necessity of increasing or reducing the amount of basic financial needs or revenues of the local body, he may, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, add or subtract the amount to be increased or reduced to or from the amount of basic financial needs or revenues on the basis of which the amount of ordinary allocation tax to the local body is to be computed, in the fiscal year when such error is found or the fiscal year following thereto.
2. In the fiscal year when an error is found in basic numbers used for computation of the amount of ordinary allocation tax, or in the fiscal year following thereto, the Minister of Public Management, Home Affairs, Posts and Telecommunications may, as provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, compensate from the allocation tax for the current fiscal year the whole or a part of the difference between the amount of ordinary allocation tax actually granted in the original fiscal year and the amount of ordinary allocation tax which should have been granted in the same fiscal year, or request the refundment of the whole or a part of such difference, with respect to the local body to which the preceding paragraph is applicable, if the amount of basic financial revenues for such fiscal year which is used for the computation of the amount of the ordinary allocation tax to be granted to such local body would exceed the amount of its basic financial needs without applying the preceding paragraph, or the amount of its basic financial revenues exceeds the amount of its basic financial needs, as the result of the application of the preceding paragraph.
 3. Exceptions may be made by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications to the preceding two paragraphs, with respect to the cities, towns or villages affected by abolition, creation, division or fusion or redemarcation, or the local bodies affected by an error involving a very large amount of money.
 4. If a local body fraudulently obtains the allocation tax, by tampering with, or falsifying the data for its computation submitted thereby, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall order the refundment of the excess over the due amount (hereinafter in this and the following paragraphs referred to as "excess"), as soon as he finds such fact.
 5. In cases referred to in the preceding article, the local body shall pay into the national treasury the surcharge equal to 0.03 percent of the excess for each day from the day following its receipt of such allocation tax to the day of its refundment. However, if there are extenuating circumstances such as natural disasters or other special reasons after the receipt of the allocation tax, the Minister of Public Management, Home Affairs, Posts and Telecommunications may exempt the surcharge, or grant indulgence until a specified term.
 6. When the Minister of Public Management, Home Affairs, Posts and Telecommunications takes the measures under preceding five paragraphs, he shall indicate in writing the reasons therefor, the amount of money involved and other necessary matters to the local body affected thereby. The local body falling under the

preceding two paragraphs shall make them known to its inhabitants.

7. Any local body affected by the application of paragraph 1 to 5 may take exception to the Minister of Public Management, Home Affairs, Posts and Telecommunications within thirty days from the receipt of the document under the preceding paragraph. A city, town or village shall file such exception through the governor of To, Do, Fu or Ken.
8. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall, upon receipt of such exception, give decision upon the matter within thirty days from the day of receipt, and inform the local body thereof. If the complainant is a city, town or village, it shall be informed of the decision through the governor to To, Do, Fu or Ken.

(Hearing)

- Article 20. If the Minister of Public Management, Home Affairs, Posts and Telecommunications finds it necessary in taking the measures as provided in paragraphs 3 and 4 of Articles 10, paragraphs 2 and 3 of Article 15 and the preceding two article, he may hold a hearing for the local body concerned.
2. When the local body concerned declares on a clear evidence that the decision or action taken under paragraph 3 of Article 10, paragraph 2 of Article 15, paragraph 2 of Article 18 and paragraphs 1 to 5 and paragraph 8 of the preceding article, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall hold an open hearing.
 3. If the Minister of Public Management, Home Affairs, Posts and Telecommunications upon hearing finds such declaration substantiated, he shall revoke or alter such decision or action.
 4. Except as provided in the preceding three paragraphs, procedures of hearing and other necessary matters shall be provided by order of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(Recommendation)

- Article 20-2. If any administrative organ finds in connection with its own administration any substandard local administration due to the negligence of the local body in keeping the scale and quality of administration prescribed by laws or cabinet orders duly authorized by laws, it may present recommendation to the local body to take corrective measures.
2. The administrative organ shall in advance inform the Minister of Public Management, Home Affairs, Posts and Telecommunications of the recommendation which it intends to present under the preceding paragraph.
 3. If the local body fails to follow such recommendation, the administrative organ may request the Minister of Public Management, Home Affairs, Posts and Telecommunications to reduce the whole or a part of the allocation tax to be granted thereto, or to order the refundment of the whole or a part of the allocation tax already granted.
 4. When such request is made, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall, upon hearing the plea of the local body reduce the whole or a part of the allocation tax to be granted thereto, or order the refundment of the whole or a part of the allocation tax already granted, except when he finds that there have been disasters or other extenuating reasons. The provisions of paragraphs 6 to 8 of the Article 19 shall apply mutates mutadis to such action.
 5. The amount of allocation tax to be reduced or to be ordered refunded under the preceding paragraph may not exceed the expenses which would be dispensed with because of such substandard local administration due to the negligence in keeping the scale and quality of administration prescribed by laws or cabinet orders duly authorized by laws.

(Treatment of Reduced or Refunded Tax)

- Article 20-3. In case the whole or a part of the allocation tax to be granted is reduced under paragraph 4 of the preceding article or under paragraph 1 of Article 26 of the Local Finance Law, such amount reduced shall be counted in the aggregate total of the special allocation tax for the current fiscal year.
- (2) In case the whole or a part of the allocation tax already granted is refunded, or the surcharge is paid in

under paragraph 2 to 5 of Article 19, or paragraph 4 of the preceding article, or under Article 26 of the Local Finance Law, such amount reduced or paid in shall be counted in the aggregate total of the allocation tax under paragraph 2 of Article 6 in the fiscal year following such refund or payment, or in the fiscal year next thereto, and shall be counted in the aggregate total of the special allocation tax for the same fiscal year.

(Exceptions for To)

Article 21. The basic financial needs and the basic financial revenues of To shall be determined by totaling the basic financial needs and the basic financial revenues respectively each computed as if its whole area were a area of Do, Fu or Ken as far as computation of the allocation tax to Do, Fu or Ken is concerned, and its areas covered by the special wards were areas of cities, towns or villages as far as the computation of the allocation tax to a city, town or village is concerned.

- (2) The total union shall be deemed to be a town or village in application of this law.

(Fractions)

Article 22. In computing the aggregate total of the allocation tax or the amount of the allocation tax to be granted to each local body for each fiscal year, in granting the allocation tax to each local body, and in paying in the surcharge, any fraction less than 500 yen shall be omitted, and any fraction of 500 yen or more but less than 1,000 yen shall be raised to 1,000 yen.

(Local Financial Administration Committee)

Article 23. Minister of Public Management, Home Affairs, Posts and Telecommunications, in the following cases, shall consult the Local Financial Administration Committee.

- (1) In case of planning to enact, amend, or repeal an order relative to the granting the allocation tax.
- (2) In case of drafting a document on the estimates of revenues and expenditures of the whole of the local bodies for the following fiscal year, prescribed in Article 7.
- (3) In case of determining or revising the amount of the allocation tax to be granted to each local body, prescribed in Article 10 or 15.
- (4) In case of ruling on the appeal of revision filed by a local body, prescribed in paragraph 2 of Article 18.
- (5) In case of ordering to refund the allocation tax, prescribed in paragraph 4 of Article 19.
- (6) In case of ruling on the exception filed by a local body, prescribed in paragraph 8 of Article 19 (including reference in paragraph 4 of Article 20-2).
- (7) In case of revoking or altering a decision or action under paragraph 2 of Article 20, prescribed in paragraph 3 of the same article.
- (8) In case of ordering to reduce or refund the allocation tax, prescribed in paragraph 4 of Article 20-2.

(Classification of works)

Article 24. Works to be done by To, Do, Fu or Ken under the paragraph 2 of Article 5, paragraph 1 of Article 17, paragraph 2 of Article 17-3, the second sentence of paragraph 1 of Article 17-4, the second sentence of paragraph 1 and the second sentence of paragraph 2 of Article 18, and the second sentence of paragraph 7 and the second sentence of paragraph 8 of Article 19 (including reference in paragraph 4 of Article 20-2) shall be the item-1 legal trust work as provided in item 1 of paragraph 9 of Article 2 of Local Administration Law.