

GIAJ decides its FY2024 Tax Reform Requests

With a view to contributing to economic development and the building of a society in which citizens can live with peace of mind through the sound development of the general insurance industry, the General Insurance Association of Japan (GIAJ) has decided on the following seven tax reform requests for fiscal 2024.

1. Enhancement of the Catastrophic Loss Reserve system for fire insurance
 - To review the application categories and replacement guarantee rates, etc., of the Catastrophic Loss Reserve system for fire insurance, etc., which supports the stable operation of the fire insurance business, in the midst of increasingly severe and frequent natural disasters.
2. Responses to the revision of international taxation rules
 - To give due consideration to the characteristics of the general insurance business, so as not to impede its legitimate economic activities, when considering the review of international taxation rules.
3. Resolution of consumption tax issues related to general insurance
 - To consider drastic measures to resolve consumption taxation issues related to general insurance ("tax accumulation" and "tax neutrality impediment"), which will rise with any increase in the tax rate.
4. Tax measures on defined contribution pension plans
 - To eliminate the special corporate tax on defined contribution pension plans for individual and corporate pension funds.
5. Enhancement of the residential earthquake insurance premium tax deduction system
 - To consider measures for enhancing the premium tax deduction system to further promote residential earthquake insurance.
6. Elimination of double taxation of dividend income, etc.
 - To discuss improvements to the system of non-taxable dividend income from the perspective of "double taxation elimination".
7. Continuation of the current corporate enterprise taxation formula for general insurance businesses
 - To continue the current taxation formula of corporate enterprise tax (local tax) for the general insurance business, which is already based on income (100% size-based business tax).

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