

(For the year) Final Return of Tax Base and Computation of Global Income Tax and Special Tax for Rural Development to be Paid

- ◇ A business taxpayer who is subject to simplified expense rate, has either business income from real estate lease business or business income from other businesses generated from a single business place, and does not keep books and instead files an estimated return based on simplified expense rate shall use the form for taxpayers subject to single income and simplified expense rate (form no. 40 (4)).
- ◇ Where a business subject to simplified bookkeeping (excluding businesses commenced in the same taxable year and businesses with revenue of less than 48 million won in the immediately preceding taxable period) does not file a return based on bookkeeping records, 20% of the calculated tax should be paid as penalty tax for non-bookkeeping.
- ◇ Where a business subject to double-entry bookkeeping fails to file a return using double-entry bookkeeping records, the larger of: 20% of the tax amount to be paid due to non-filing; and 0.0007% of gross revenue should be paid as penalty tax.

Instructions on Filling Out the Return

1. Fill out ❶ Basic Information on page 3.
2. Fill out ❷ Tax Agent. You must fill out this section if bookkeeping, tax adjustment, or preparation of tax return was done by a tax agent. (For classification of Representation, choose just one of ❶-❹.)
3. Fill out the necessary income statements (❺-❻) on page 5 through 11.
4. Fill out ❸ Statement of Global Income and Deduction of Deficit and Deficit Carried Forward and ❹ Statement of Deficit Carried Forward on page 13. (Do not fill out ❹ Statement of Deficit Carried Forward when there is no deficit carried forward.)
5. Fill out ❺ Statement of Income Deductions on page 15.
6. Fill out ❻ Statement of Tax Reduction/Exemption, ❼ Statement of Tax Credits and ❽ Statement of Reserves (fill out only the necessary statements) on page 19.
7. Fill out ❾ Statement of Penalty Tax and ❿ Statement of Prepaid Tax on page 21.
8. Fill out ❶ Computation of Tax on page 3. [Before you do, fill in: ❶ Computation of Global Income Tax (for taxpayers with financial income) on page 23 if you have financial income; ❷ Computation of Estimated Income (for taxpayers subject to standard expense rate) on page 25 if you are calculating estimated income based on standard expense rate; ❸ Computation of Global Income Tax (for dealers of housing, etc.) on page 27 if you are a real estate broker who has gains from sale of non-business purpose land in addition to global income; or ❹ Computation of Global Income Tax (for taxpayers with both financial income and gains from sale of housing, etc.) on page 29 if you have gains from sale of non-business purpose land in addition to financial income included in global income.]
9. Fill out ❺ Bank Account for Tax Refund on page three.
10. If more space is needed, use a separate piece of paper.
11. The return should bear the filer's name and signature or seal.
12. Do not fill out the shaded boxes.

Certificate of Receipt (Final Return of Tax Base for Global Income Tax for the Year)

Name	Address	
※ Attachments 1. Financial statement () 2. Income statement and supporting documents () 3. Compound trial balance () 4. Statement of adjustment () 5. Report of deduction & tax credit from income () 6. Claim for tax refund from deficit carryback () 7. Application for tax credit and exemption pursuant to the Restriction of Special Taxation Act () 8. Computation of Income Based on Simplified Bookkeeping () 9. Others ()		Received by (Date of receipt (Signature or seal))

Instructions on Filling Out ①-④

1. In the title section, write the year for which the return is filed and mark your residency, etc. in the table.
2. ② Alien reg. no.: Enter your alien registration number (passport number if you do not have an alien registration number).
3. ⑨ Type of return: Mark the box that applies to you with a ✓. The type of return is classified according to the documents attached such as statement of tax adjustment, computation of income. If two or more types apply to you, mark just one, whichever comes first in the following order: ⑭, ⑫, ⑪, ⑳, ⑳, ⑳, ㉓, ④, ㉕.
4. ㉑ Bank Account for Tax Refund: If you are qualified for a refund, write down your bank account number for receiving your refund. If the tax refundable is 20 million won or more, a report of opening (or change of) a bank account (Attached form 22 of the Enforcement Rules of the Framework Act on National Taxes) and a copy of your bankbook should be attached when filing this return.
5. ㉒ Tax Agent: If a tax agent kept your books, made your tax adjustment or prepared your tax return, mark the applicable type of representation with a ✓.
6. ⑲ Amount of global income: Enter the amount on ⑤ Total (global income amount) from ⑨ Statement of Global Income and Deduction of Deficit and Deficit Carried Forward on page 13.
7. ㉔ Income deduction: From ⑪ Statement of Income Deductions on page 15, subtract ㉓ Amount exceeding composite ceiling on income deduction from ㉔ Sum of income deductions and enter the calculated amount.
8. ㉕ Tax rate & ㉖ Tax calculated: Refer to the tax rate table below and enter the applicable tax rate. In 'Tax calculated', enter the amount calculated by multiplying the tax base with the tax rate and subtracting the progressive deduction amount. If you have interest income or dividend income subject to global income taxation, use ⑰ Computation of Global Income (for taxpayers with financial income) on page 23 to calculate the tax amount. If you are a real estate broker subject to Article 64 of the Income Tax Act, use ⑱ Computation of Global Income Tax (for real estate brokers) on page 27. If you are a real estate broker who has financial income, use ㉗ Computation of Global Income Tax (for taxpayers with financial income and gains from transaction of housing, etc.) on page 29.
9. ㉘ Tax reduction/ exemption & ㉙ Tax credit: Enter the amount on ⑤ Total tax reduction/ exemption from ⑫ Statement of Tax Reduction/Exemption on page 19 and ⑥ Total tax credit from ⑬ Statement of Tax Credits.
10. ㉚ & ㉛ Penalty tax: Enter the amount of penalty tax imposed pursuant to Articles 47-2 through 47-5 of the Framework Act on National Taxes and Article 81 and Articles 81-2 through 81-13 of the Income Tax Act. In ㉚, enter the amount on ⑰ Total amount from ⑬ Statement of Penalty Taxes on page 21.
11. ㉜ & ㉝ Recapture amount: Fill in Form no. 51 on computation of recapture amount and enter the amount on "4. Sum of Recapture of Income Tax" from the form in ㉜ Recapture amount (and refund of Special Tax for Rural Development), and enter the refundable amount of Special Tax for Rural Development in ㉝.
12. ㉞ & ㉟ Tax prepaid: Enter the amount on ⑪ and ㉞ from ⑬ Statement of Tax Prepaid on page 21. (Where there is income for which a flat tax rate for foreigners is applied, enter the sum of ⑥ from ㉞ Computation of Global Income Tax (for foreign workers subject to special taxation) on page 33.
13. ㊱ Total tax refundable or due: Subtract ㉟ Tax prepaid from ㉞ Total and enter the amount. If the amount is less than 0, tax is refundable, so fill in ㊱ Bank Account for Tax Refund.
14. ㊲ & ㊳ Tax subject to special treatment in payment: Where an executive, etc. of a venture business files an application for special treatment in payment with the withholding agent in respect to the gains on exercising his/her stock options, an amount equivalent to 4/5 of the income tax on such gains can be paid in installments. In this case, the executive, etc. should pay an amount equivalent to 1/4 of the amount of tax payable in installments each year over the four years following the taxable year in which the date of stock option exercise falls. If you are paying the amount of tax excluding tax to be paid in installments, enter the amount in ㊲. If you are paying the amount to be paid in installments over four years, enter the amount in ㊳.
 ㊴ Tax to be paid in installments: If the amount of tax payable, calculated by subtracting ㊲ from ㊱ and adding ㊳ to ㊱, exceeds 10 million won but is not over 20 million won, the amount in excess of 10 million won can be paid in installments within two months of the due date for tax payment. If the amount of tax payable is over 20 million won, the amount equivalent to or less than 1/2 of the tax payable can be paid in installments within two months of the due date for tax payment. If you intend to pay such amount in installments, enter the amount you wish to pay.
15. Special tax for rural development: In ④ Tax base, enter the amount in ⑱ Total exempted tax from the statement of sum of tax exemptions subject to the special tax on rural development (form no. 68), and calculate ㊵ by applying the tax rate (20% or 10%) as prescribed by Article 5 of the Act on Special Rural Development Tax. In ㊶ Total, enter the amount calculated as follows: ㊵+㊷-㊵. If the amount of special tax for rural development to be paid is 5 million won or more or if global income tax is paid in installments, a certain amount of the special tax for rural development can be paid in installments.

Tax Rate

Attributable year	2017		Attributable year	2018 and beyond	
	Global income tax			Global income tax	
	Tax rate	Progressive deduction (won)		Tax rate	Progressive deduction (won)
Not over 12 mil.	6%		Not over 12 mil.	6%	
Over 12 mil. & not over 46 mil.	15%	1.08 mil.	Over 12 mil. & not over 46 mil.	15%	1.08 mil.
Over 46 mil. & not over 88 mil.	24%	5.22 mil.	Over 46 mil. & not over 88 mil.	24%	5.22 mil.
Over 88 mil. & not over 150 mil.	35%	14.9 mil.	Over 88 mil. & not over 150 mil.	35%	14.9 mil.
Over 150 mil. & not over 500 mil.	38%	19.4 mil.	Over 150 mil. & not over 300 mil.	38%	19.4 mil.
Over 500 mil.	40%	29.4 mil.	Over 300 mil. & not over 500 mil.	40%	25.4 mil.
			Over 500 mil.	42%	35.4 mil.

Ref. no. -

(For the year of)Final Return of
Tax Base and Computation of Global Income Tax and Special Tax for Rural
Development to be paid

Residency	Resident 1 / Non-resident 2
Nationality	Citizen 1/ Foreigner 9
Flat tax rate for foreign employee	Yes 1 / No 2
Separate taxation (lease of housing)	Yes 1 / No 2
State of residency	Country code

1 Basic Information

1 Name	2 Alien reg. no.	-
3 Address		
4 Home phone no.	5 Business phone no.	
6 Mobile phone no.	7 E-mail address	
8 Type of bookkeeping	1 Double-entry bookkeeping 2 Simplified bookkeeping 3 Non-business	
9 Type of return	11 Self-adjustment 12 External adjustment 14 Confirmation of compliant return 20 Simplified bookkeeping 31 Estimate - Standard rate 32 Estimate - Simplified rate 35 Separate taxation (lease of housing) 40 Non-business	
10 Type of filing	10 Regular 20 Amended return 30 Claim for correction 40 Filing after due date 50 Additional filing (constructive bonus)	

2 Bank Account for Tax Refund (where less than 20 mil. won)	11 Name of bank/ post office	12 Account no.
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3 Tax Agent	13 Name	14 Business reg. no.	-	-	15 Phone no.
	16 Representation	17 License no.	-	-	18 Tax adjustment group no.

4 Computation of Tax

Classification		Global income tax	Special tax for rural development
Amount of global income	19		
Income deduction	20		
Tax base (19 - 20)	21		41
Tax rate	22		42
Tax calculated	23		43
Tax reduction & exemption	24		
Tax credit	25		
Tax determined	Global taxation (23 - 24 - 25)	26	44
	Housing lease income subject to separate taxation	27	45
	Total (26+27)	28	46
Penalty tax	29		47
Recapture amount (and refund of special tax for rural development)	30		48
Total (28 + 29 + 30)	31		49
Tax prepaid	32		50
Total tax refundable or due (31 - 32)	33		51
Tax subject to special treatment in payment	Subtract	34	52
	Add	35	
Tax to be paid in installments	Within 2 months	36	
Tax payable within the due date (33 - 34 + 35 - 36)	37		53

I file this return in accordance with Article 70 of the Income Tax Act, Article 7 of the Special Tax for Rural Development Act, and Article 45-3 of the Framework Act on National Taxes, and certify that I have examined this return and prepared it accurately to the best of my knowledge. I am aware that under-reporting tax base or tax payable or over-reporting tax refundable is subject to imposition of penalty tax, etc. in accordance with Article 47-3 of the Framework Act on National Taxes.

Year, month & date: . . . Name of taxpayer

(Signature/Seal)

I, the tax agent, declare that I have prepared this return faithfully and accurately as a licensed tax preparer. I am aware that disciplinary action as prescribed by Article 17 of the Certified Tax Accountant Act will be taken for non-bookkeeping, false bookkeeping, and unfaithful or false filing of tax return as determined by the Income Tax Act.	Date of receipt
Name of tax agent (Signature/Seal)	
To the Head of District Tax Office	

* Attachments (1 copy each):	Computerized entry required	(Seal)
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Instructions on Filling Out ⑤ Statement of Interest Income

1. Interest income subject to non-taxation or separate taxation under the Income Tax Act and the Restriction of Special Taxation Act shall not be included in this form. You should fill out this form if you have interest income and have annual financial income (the sum of interest income and dividend income) in excess of 20 million won. Even if your financial income is 20 million won or less, if you have interest income not withheld in Korea (e.g. overseas financial income), you should fill out this form for such interest income.
* Minimum amount of financial income for global income taxation: 20 million won
2. ① Income classification code: Enter the applicable income classification code below (11–17) in numerical order.
 - (1) 11: Profits (interest) made from a non-business loan as stipulated in Article 16 (1) 11 of the Income Tax Act that is withheld
 - (2) 12: Interest income that is not withheld pursuant to Article 127 of the Income Tax Act
Note: For profits (interest) made from a non-business loan that is not withheld, enter 17.
 - (3) 13: Other interest income that is withheld
 - (4) 15: Interest income that is not withheld in Korea and paid outside the country
 - (5) 16: Interest income allocated from a partnership firm as prescribed by Article 100–18 of the Restriction of Special Taxation Act
 - (6) 17: Profits (interest) made from a non-business loan, which is not withheld as prescribed by Article 127 of the Income Tax Act
3. ② Income (no.): Enter a number starting from one and counting up for each income under each income classification code. If there are two or more income for each income code category, enter the total number of incomes in the category after the last line of the last box.
4. ③ Company name (name) & ④ Business reg. no. (Resident reg. no.): Write down the name and business registration no. (resident registration no.) of the company (person) that paid interest.
5. ⑤ Interest income amount: Enter the total amount of interest before withholding tax, paid by each interest payer.
6. ⑥ Income tax withheld: Enter the amount of tax withheld. Do not enter local income tax, which is reported in accordance with Article 95 and 96 of the Local Income Tax Act.

5 Statement of Interest Income

① Income classificatio n code	② Income (no.)	Interest payer		⑤ Interest income amount	⑥ Income tax withheld
		③ Company name (name)	④ Business reg. no. (Resident reg. no.)		

Instructions for Filling Out ⑥ Statement of Dividend Income

1. Dividend income subject to non-taxation or separate taxation under the Income Tax Act and the Restriction of Special Taxation Act shall not be included in this form. You should fill out this form if you have dividend income and have annual financial income (the sum of interest income and dividend income) in excess of 20 million won. Even if your financial income is 20 million won or less, if you have dividend income not withheld in Korea (e.g. overseas financial income), you should fill out this form for such dividend income.
 - * Minimum amount of financial income for global income taxation: 20 million won (40 million won for income attributable up to 2012)
2. ① Income classification code: Enter the applicable income classification code below (21-29) in numerical order.
 - (1) Dividend income subject to gross-up for the amount in excess of the minimum financial income for global income taxation (20 mil. won): 21
 - (2) Dividend income not subject to gross-up: 22
 - * For dividend income falling under Code 23 through 29, enter the applicable code.
 - * Gains from collective investment vehicles, fictitious dividend resulting from capitalizing the marginal profit from retirement of treasury stocks or treasury shares, fictitious dividend resulting from capitalizing the marginal profit from revaluation of land (subject to revaluation tax rate of 1%), and the value of stocks equivalent to the increased ratio of stockholding of stockholders other than a corporation due to the corporation's capitalization of capital reserves or revaluation reserves while retaining its treasury stocks or shares in investment are classified as code 22.
 - * Among dividend income falling under Code 21, dividend from a corporation designated by presidential decree that received non-taxation, reduction, exemption or deduction of corporate income tax not subject to minimum tax as prescribed by Article 132 of the Restriction of Special Taxation Act (including non-taxation, exemption, reduction or deduction pursuant to Acts other than the Restriction of Special Taxation Act), the amount calculated by multiplying such amount of dividend income with the ratio of exemption or reduction shall be classified as Code 22.
 - (3) Dividend income that is not withheld pursuant to Article 127 of the Income Tax Act: 23
 - (4) Dividend income that is not withheld in Korea and paid outside the country: 26
 - (5) Dividend income from a joint investment business operator as prescribed by Article 17 (1) 8 of the Income Tax Act: 28
 - (6) Dividend income allocated from a partnership firm as prescribed by Article 100-18 of the Restriction of Special Taxation Act: 29
3. ② Income (no.): Enter a number starting from one and counting up for each income under each income classification code. If there are two or more incomes for each income code category, enter the total number of incomes in the category after the last line of the last box.
4. ③ Company name (name) & ④ Business reg. no. (Resident reg. no.): Write down the name and business registration no. (resident registration no.) of the company (person) that paid dividend.
5. ⑤ Dividend income: Enter the total amount of interest before withholding tax, paid by each dividend payer.
6. ⑥ Eligible dividends: If the sum of dividend income that falls under Code 21 and dividend income under other codes and interest income exceeds 20 million won, enter the amount in excess of 20 million won.
(Example) If interest income is 10 million won and other dividend income is 15 million won (subject to gross-up), write down 15 million won in ⑤ Dividend income, and 5 million won in ⑥ Eligible dividends.
7. ⑦ Gross-up amount: Enter the amount calculated by: ⑥ Eligible dividends x Gross-up rate (11% for dividend income received on or after Jan. 1, 2011, and 12% for dividend income received from Jan. 1, 2009 through Dec. 31, 2010)
8. ⑧ Dividend income: ⑤ Dividend income + ⑦ Gross-up amount
9. ⑨ Income tax withheld: Enter the amount of tax withheld. Do not enter local income tax, which is reported in accordance with Article 95 and 96 of the Income Tax Act.

⑥ Statement of Dividend Income

① Income classifica tion code	② Income (no.)	Dividend payer		⑤ Dividend amount	Gross-Up		⑧ Dividend income (⑤+⑦)	⑨ Income tax withheld
		③ Company name	④ Business reg. no.		⑥ Eligible dividends	Gross-up amount (⑥× Gross-up rate)		

Instructions for Filling Out ⑦ Statement of Business Income

1. ① Income classification code: Enter the applicable income classification code below (30, 31, 32, 40, 41) in numerical order.
 - (1) Business income from real estate lease business (excluding housing lease business): 30
 - (2) Business income from real estate lease business allocated from a partnership firm as prescribed by Article 100-18 of the Restriction of Special Taxation Act: 31
 - (3) Business income from housing lease business: 32 (KSCI Code: 701101, 701102, 701103, 701104)
 - (4) Business income from businesses other than a housing lease business: 40
 - (5) Business income other than real estate lease business income allocated from a partnership firm as prescribed by Article 100-18 of the Restriction of Special Taxation Act: 41
2. ② Income (no.): Enter a number starting from one and counting up for each income under each income classification code. If there are two or more incomes for each income code category, enter the total number of incomes in the category after the last line of the last box.
3. ③ Enter '1' if the place of business is in Korea and '9' if it is outside Korea. In 'Country Code', enter the applicable country code designated by the Int'l Organization for Standardization (ISO). * You can search the ISO country code at the NTS website (Resources → Additional Info). For example, KR is for Korea and US is for the United States.
4. ④ Type of bookkeeping: Enter either ① Double entry bookkeeping or ② Simplified bookkeeping for each place of business.
5. ⑤ Type of filing: Enter the following code that is applicable based on the preparer of the statement of adjustment or type of statement of computation of income. For business income allocated from a partnership firm in accordance with Article 100-18 of the Restriction of Special Taxation Act, enter either code 11 or 12 depending on the type of adjustment of the partnership firm's statement of computation of income and statement of allocation.
 - (1) Self-adjustment (the filer prepared the statement of adjustment himself/herself): 11
 - (2) External-adjustment (a tax agent prepared the statement of adjustment): 12
 - (3) Confirmation of compliant return: 14
 - (4) Where income was calculated using statement of calculation of income based on simplified bookkeeping: 20
 - (5) Where income was calculated using standard expense rate: 31
 - (6) Where income was calculated using simplified expense rate: 32
6. ⑥ Main business code: If two or more business codes apply to you, enter the business code of the place of business with the largest income.
7. ⑦ Gross revenue & ⑧ Income: If you are a business operator with side job income of farmhouse (a non-taxable business income), fill out the statement of computation of non-taxable business income (side job income of farmhouse) (Form no. 37-3) and then enter the amount of revenue and income under ⑦ Taxable amount. In the case of business income allocated from a partnership firm under Article 100-18 of the Restriction of Special Taxation Act, enter the allocated income amount in the 'Gross revenue' box and the allocated deficit in the 'Necessary expenses' box.
8. ⑩ Necessary expenses: If you are filing using the standard expense rate, enter the amount in ⑩ Total necessary expenses from ⑧ Computation of Estimated Income on page 25. However, when using ⑨ Comparative income amount from ⑧ Computation of Estimated Income to calculate income, enter the amount calculated by subtracting ⑩ Income amount from ⑨ Gross revenue.
9. ⑪ Income: Enter the amount calculated by subtracting ⑩ Necessary expenses from ⑨ Gross revenue. If you are filing an estimated return using the standard expense rate, enter the amount in ⑪ Income amount from ⑧ Computation of Estimated Income.
10. ⑫ First day of taxable period & ⑬ Last day of taxable period: If you are a continuing business, enter 1.1 of the relevant year as the first day and 12. 31 as the last day. For newly established businesses and businesses that were closed, write down the date of business commencement or business closure. If you are a co-owner of a business, write down the date of commencement or withdrawal of business partnership.
11. ⑭ Representative of a jointly operated business: If you are a party to a jointly operated business, write down the name and resident registration number of the representative of the business.
12. ⑮ Special related person: If a joint business operator is a special related person (i.e., a relative with whom you share a livelihood), and your return includes the income of the special related person who is a joint business operator as prescribed by Article 100 (4) of the Enforcement Decree of the Income Tax Act, write down the name and resident registration number of the special related person.
13. Statement of real estate lease income (⑯-⑲): In the case of real estate lease income, classify into housing lease income and income from lease of non-housing. In 'No. of housings', enter the number of housings subject to housing lease income taxation. In ⑰ Revenue amount, ⑱ Necessary expenses and ⑲ Income amount, include all real estate lease income classified as either main business and sub-business, regardless of ⑨ Revenue amount ⑩ Necessary expenses and ⑪ Income amount entered by ⑧ Main business code.
14. ⑳ No.: Enter a number starting from one and counting up for each withholding agent or tax association.
15. ㉑ Company name (name) & ㉒ Business reg. no. (Resident reg. no.): Write down the company name (name) and business registration number (resident registration number) of the withholding agent or taxpayer association.
16. ㉓ Income tax & ㉔ Special tax for rural development: Enter the amount of income tax and special tax for rural development collected by the withholding agent or tax association, and enter the annual total by each withholding agent or tax association. Do not enter local income tax, which is reported in accordance with Article 95 and 96 of the Income Tax Act.

7 Statement of Business Income

① Income classification code					
② Income (no.)					
③ Place of business	Location				
	Domestic 1 Overseas 9	State code			
④ Company name					
⑤ Business registration no.					
⑥ Type of bookkeeping					
⑦ Type of filing					
⑧ Main business code					
⑨ Gross revenue					
⑩ Necessary expenses					
⑪ Income (⑨-⑩)					
⑫ First day of taxable period					
⑬ Last day of taxable period					
⑭ Representative of a jointly operated business	Name				
	Alien (resident) registration No.				
⑮ Special Person Related Person	Name				
	Alien (resident) registration No.				
	Name				
	Alien (resident) registration No.				
	Name				
	Alien (resident) registration No.				

Statement of Real Estate Lease Income

Type	⑯ No. of housing	⑰ Revenue amount	⑱ Necessary expenses	⑲ Income amount
Income from lease of non-housing (e.g., stores, land)				
Income from lease of housing				
Total				

Tax Withheld and Tax Collected by Taxpayer Association for Business Income

⑳ No.	Withholding agent or taxpayer association		Tax withheld or tax collected by taxpayer association	
	㉑ Company name (name)	㉒ Business reg. no. (Resident reg. no.)	㉓ Income tax	㉔ Special tax for rural development

Instructions for Filling Out ③ Statement of Wage & Salary Income, Pension Income and Other Income

1. Do not include non-taxable income and income subject to separate taxation in this form.
2. ① Income classification code: Enter the applicable income classification code below in numerical order.
 - a. Classification of wage & salary income
 - (1) Wage and salary income subject to withholding tax in accordance with Article 127 of the Income Tax Act (excluding wage and salary income received from the U.S. Armed Forces in Korea): 51
 - * Generally, most wage and salary income received for providing service in Korea falls under this category.
 - (2) Wage and salary income received from the U.S. Armed Forces in Korea: 52
 - (3) Wage and salary income received for providing service abroad: 53
 - (4) Wage and salary income received by a member of a taxpayer association: 55
 - (5) Wage and salary income incurred from the exercise of stock option granted by a company's headquarters or parent company located overseas: 56
 - (6) Wage and salary income not subject to withholding tax in accordance with Article 127 of the Income Tax Act: 57
 - * Wage and salary income received from a foreign organization, UN forces (excluding U.S. forces), or a foreigner or foreign company overseas (excluding wage and salary income received from a domestic branch, domestic business office or domestic place of business)
 - (7) Wage and salary income filed as wage and salary income in accordance with Article 21 (3) of the Income Tax Act: 58
 - * Religious person's income can be withheld at source or a final return on the tax base can be filed. Classifying the code as '58' is to identify the cases in which religious person's income is filed as wage and salary income when a final return of global income tax is filed without withholding the income at the source (including year-end tax settlement), in order to tell whether it is subject to penalty tax or not.
 - b. Pension Income: 66
 - c. Other Income
 - (1) Other income not falling under code 61: 60
 - (2) Other income allocated from a partnership firm under Article 100-18 of the Restriction of Special Taxation Act: 61
 - (3) Religious person's income as prescribed by Article 21 (1) 26 of the Income Tax Act: 67
3. ② Income (no.): Enter a number starting from one and counting up for each income under each income classification code. If there are two or more incomes for each income code category, enter the total number of incomes in the category after the last line of the last box.
4. ③ Company name (name) and ④ Business reg. no. (resident reg. no.): Write down the company name (name) and business registration number (resident registration number) of the company or person paying wage and salary income, pension income, or other income. However, if you have wage and salary income from the exercise of stock options granted by an overseas headquarters or parent company, write down the company name and business registration number of the overseas headquarters or the parent company's domestic branch, liaison office or foreign-invested company.
5. ⑤ Gross revenue: Enter the annual gross revenue by income payer. In the case of wage & salary income, enter the total amount of salary (the amount excluding income excluded from wage & salary income and non-taxable income). In the case of pension income, enter the total pension amount (the amount excluding income excluded from pension income and non-taxable income).
6. ⑥ Necessary expenses: Enter the amount of necessary expenses. For wage and salary income, enter the amount of deduction from wage and salary income. If there are two or more places of work, enter the amount of deduction from wage and salary income of the primary place of work. If wage and salary income of the main place of employment is less than the wage and salary income deduction amount, enter the amount of deduction from wage and salary income of the secondary place of employment. In the case of pension income, enter the pension income deduction amount.

Wage & Salary Income Deduction		Pension Income Deduction (Ceiling: 9 mil. won)	
Total Salary	Deduction Amount	Total Pension	Deduction Amount
Up to 5 mil. won	70% of total salary	Up to 3.5 mil. won	Total pension amount
Over 5 mil. won & not over 15 mil. won	3.5 mil. won + 40% of the amount over 5 mil. won	Over 3.5 mil. & not over 7 mil. won	3.5 mil. won + 40% of the amount over 3.5 mil. won
Over 15 mil. won & not over 45 mil. won	7.5 mil. won + 15% of the amount over 15 mil. won	Over 7 mil. won & not over 14 mil. won	4.9 mil. won + 20% of the amount over 7 mil. won
Over 45 mil. won & not over 100 mil. won	12 mil. won + 5% of the amount over 45 mil. won	Over 14 mil. won	6.3 mil. won + 10% of the amount over 14 mil. won
Over 100 mil. won	14.75 mil. won + 2% of the amount over 100 mil. won		

7. ⑦ Taxable income: Enter the amount calculated by subtracting ⑥ Necessary expenses from ⑤ Gross revenue
8. ⑧ Income tax & ⑨ Special tax for rural development: Enter the amount of income tax and special tax for rural development collected by the withholding agent or tax association. Do not enter local income tax, which is reported in accordance with Article 95 and 96 of the Income Tax Act.

8 Statement of Wage & Salary Income, Pension Income and Other Income

① Income classi- fication code	② Income (no.)	Payer of income (Domestic place of business)		⑤ Gross revenue (Total wage & salary income, total pension)	⑥ Necessary expenses (Wage & salary income deduction and pension income deduction)	⑦ Taxable income (⑤-⑥)	Tax withheld or tax collected by taxpayer association	
		③ Company name (name)	④ Business reg. no. (Resident reg. no.)				⑧ Income tax	⑨ Special tax for rural development

Instructions for Filling Out ⑨ Statement of Global Income & Deduction of Deficit and Deficit Carried Forward

1. ① Income amount
 - (1) Interest income: Enter the sum of ⑤ Interest income amount from ⑤ Statement of Interest Income.
 - (2) Dividend income: Enter the amount calculated by subtracting dividend income from a joint investment business operator as prescribed by Article 17 (1) 8 of the Income Tax Act from the sum of ⑧ Dividend income from ⑥ Statement of Dividend Income.
 - (3) Dividend income from a joint investment business operator: Enter the sum of dividend income from a joint investment business operator as prescribed by Article 17 (1) 8 of the Income Tax Act.
 - (4) Income from real estate lease business (excl. housing lease business): Enter the sum of ⑩ Income classified as Code no. 30 or 31 from ⑦ Statement of Business Income. If the amount is negative (i.e., deficit), enter '0' and enter the amount of deficit on ② Amount accrued from business income from real estate lease business (excl. housing lease business) in ⑩ Statement of Deficit Carried Forward.
 - (5) Other business income: Enter the sum of ⑩ Income classified as Code no. 32, 40 or 41 in ⑦ Statement of Business Income on page 9.
 - (6) Wage & salary income, pension income and other income: Enter the sum of ⑦ Taxable income of each type of income type in ⑧ Statement of Wage & Salary Income, Pension Income and Other Income on page 11.
2. ② Deduction of deficit from business income other than real estate lease business income (excl. housing lease business): If the amount of income from businesses other than a real estate lease business (excl. housing lease business) is negative (i.e., deficit), deduct the amount of deficit from income in the following order: income from business other than real estate lease business (excl. housing lease business), wage & salary income, pension income, other income, interest income subject to global income taxation, and dividend income (deduction not applicable to interest income and dividend income to which withholding tax rate applies). You should decide whether deficit or deficit carried forward from businesses other than real estate lease business (excl. housing lease business) will be deducted from dividend income or interest income, and how much will be deducted, in accordance with Article 45 (5) of the Income Tax Act.
3. ③ Deduction of deficit carried forward from business income other than real estate business income (excl. housing lease business): If you have deficit carried forward from a business other than real estate lease business (excl. housing lease business), deduct the amount of deficit from income in the following order: income from business other than real estate lease business (excl. housing lease business), wage & salary income, pension income, other income, interest income subject to global income taxation, dividend income (deduction not applicable to interest income and dividend income to which withholding tax rate applies).
4. ④ Deduction of deficit carried forward from real estate lease business income (excl. housing lease business): Enter the amount of deficit carried forward from real estate lease business income deducted from real estate lease business income (excl. housing lease business).
5. ⑤ Income after deduction of deficit/ deficit carried forward: Enter the amount calculated by the following formula: ① - ② - ③ - ④. If income from business other than real estate lease business (excl. housing lease business) is negative (i.e., if deficit remains after deducting deficit from such business from other income in accordance with ②), enter '0', and enter the remaining deficit amount in ② Amount accrued under 'Deficit carried forward' of ⑩ Statement of Deficit Carried Forward.

Instructions for Filling Out ⑩ Statement of Deficit Carried Forward

1. ① Taxable period & ② Amount accrued: Write down the 10 immediately preceding taxable periods (five taxable periods for deficit carried forward accrued in or before 2008) and the amount of deficit carried forward accrued during each period, in annual order.
2. ③ Total deduction through the immediately preceding taxable period: Enter the amount of total deduction.
3. ④ Current deduction: Enter the amount deducted in the current taxable period. Deduct starting from the earliest accrued deficit and end with the latest one. (The total amount of current deduction is the sum of ④ or ③ from ⑨ Statement of Global Income & Deduction of Deficit and Deficit Carried Forward.)
4. ⑤ Deficit carryback: If a small or medium enterprise as prescribed by Article 2 of the Enforcement Decree of the Restriction of Special Taxation Act carries back deficit accrued from the relevant taxable period in accordance with Article 85-2 of the Income Tax Act, enter the ⑥ deficit carryback amount [i.e., the amount of deficit carryback under the claim of tax refund from deficit carryback (form no. 40-4)].
5. ⑥ Other deductions: Enter the amount of deficit carried forward appropriated as gains from assets contributed and gains from exemption of debts.
6. ⑦ Balance: Enter the balance after deducting deficit carried forward through the current period (② - ③ - ④ - ⑤ - ⑥).

9 Statement of Global Income & Deduction of Deficit and Deficit Carried Forward

Type of income	① Income amount	② Deduction of deficit from business income other than real estate lease business income (incl. housing lease business)	Deduction of deficit carried forward		⑤ Income after deduction of deficit/deficit carried forward
			③ Deduction of deficit carried forward from business income other than real estate lease business income (incl. housing lease business)	④ Deduction of deficit carried forward from real estate lease business income (excl. housing lease business)	
Interest income					
Dividend income					
Dividend income from a joint investment business operator					
Income from real estate lease business (excl. housing lease business)					
Other business income (incl. housing lease business)					
Wage & salary income					
Pension income					
Other income					
Total global income					

10 Statement of Deficit Carried Forward

Type of income	Deficit carried forward		③ Total deduction through the immediately preceding taxable period	Current Deduction			⑦ Balance
	① Taxable period	② Amount accrued		④ Current deduction	⑤ Deficit carryback	⑥ Other deductions	
Business income from real estate lease business (excl. housing lease business)							
Other business income (incl. housing lease business)							

Instructions for Filling Out ⑪ Statement of Income Deductions

※ Fill out personal deductions and special deductions in this form after filling out a Report of Deduction & Tax Credit from Income (form no. 37). Also, fill out the income deductions under the Restriction of Special Taxation Act after filling out the relevant application forms.

※ Fill out personal deductions and special deductions in this form after filling out a Report of Deduction & Tax Credit from Income (form no. 37). Also, fill out the income deductions under the Restriction of Special Taxation Act after filling out the relevant application forms.

1. Personal deduction (①-⑦)

(a) Basic deduction: For yourself, your spouse with annual income (including retirement income and capital gains) of 1 million won (5 million won if he/she only has wage and salary income) or less, and dependent family members eligible for deduction who share a livelihood with a resident (including the resident's spouse) and have annual income of 1 million won or less, 1.5 million won per capita (i.e., number of eligible persons X 1.5 million won) is deducted for each category. Dependent families should be aged 60 or older or 20 or younger to be eligible for deduction. (Children under foster care should be aged 18 or younger but there are no age restrictions for the disabled and recipients of the basic livelihood security system.)

(b) Additional deduction: Among those eligible for basic deduction, 1 million won per person is deducted for the elderly (aged 70 or older) in ④ The elderly. In ⑤ The disabled, 2 million won per person is deducted. If you are a woman (with global income of 30 million won or less) with a spouse or the head of a household with a dependent family, 500 thousand won is deducted in ⑥ Woman. If you do not have a spouse and have a lineal descendant or adoptee subject to basic deduction, deduct 1 million won in ⑦ Single-parent family. If ⑥ and ⑦ both apply, apply ⑦.

2. Pension premium deduction (⑨-⑩): In ⑨, enter the amount of pension premium (excl. employer contribution) paid pursuant to the National Pension Act. In ⑩, enter the amount of contribution paid by the employer pursuant to each relevant Pension Act or the Special Post Offices Act (i.e., the sum of contributions to public officials pension, military pension, pension for private school teachers and staff, and special post offices pension).

3. ⑪ Reverse annuity mortgage interest expense deduction: For a resident with pension income who receives reverse annuity mortgage proceeds, interest accrued on the proceeds in the relevant year is deducted within the ceiling of 2 million won from pension income.

4. Special deduction (⑫-⑭)

(a) ⑫ Insurance premium: Deducted from the wage and salary income of wage and salary income earners only (excl. daily workers).

- Deduction items: Health insurance premium (including long-term care insurance premium), employment insurance premium

(b) ⑬ Housing fund repayment: Deducted from the wage and salary income of wage and salary income earners only (excl. daily workers).

④ The amount of repaid principal for housing rental loans

The amount of repaid principal for loans borrowed from a financial institute, etc. by an employee who is the head of a household without a housing (or a member of the household, if such household head did not receive housing-related deductions) to rent a housing the size of a national housing (including residential officetels).

⑤ The amount of interest paid on long-term mortgage loans

The amount of interest on a long-term mortgage loan borrowed from a financial institute, etc. by the head of a household that does not own a house or owns only one house (or a member of the household, if such household head did not receive housing-related deductions), in order to purchase a housing (standard market price of 400 million won or less at the time of purchase).

(c) ⑭ Donations (carried forward): Donations carried forward that were not deducted by the end of 2013 are subject to income deduction.

5. ⑮ List of dependants eligible for personal deduction: Enter the name and personal information of yourself and your dependants eligible for personal deduction. In the Citizen/ Foreigner box, enter '1' for citizens and '9' for foreigners. Foreigners should enter their alien registration number (or passport number) in the Resident (Alien) Reg. No. box.

6. Income Deductions Under the Restriction of Special Taxation Act (⑰-⑳): In column ⑰, write down the title of the relevant Article under the Restriction of Special Taxation Act and enter the amount of income deduction in ⑱. In the case of deduction of business income, enter the business registration number in ㉔ Business Reg. No., and do not fill in ㉓ Code.

7. ㉕ Amount exceeding composite ceiling on income deduction: Enter the amount in ㉖ Amount exceeding composite ceiling on income deduction from ㉕-1 Calculation of Composite Ceiling on Income Deduction.

⑪ Statement of Income Deductions

Deductions Under the Income Tax Act

Classification		Amount	Classification		Amount	
Personal deduction	Basic	① Yourself	Pension premium deduction	⑨ National pension		
		② Spouse		⑩ Public officials pension/ military pension/ pension for private school teachers and staff/ special post offices pension		
		③ Dependents (persons)		⑪ Reverse annuity mortgage interest expense deduction		
	Additional	④ The elderly (persons)	Special deduction	⑫ Insurance premium		
		⑤ Disabled persons (persons)		⑬ Housing funds		
		⑥ Woman		⑭ Donations (carried forward)		
		⑦ Single-parent family		⑮ Total special deduction	Individuals with wage and salary income (⑫ thru ⑭)	
	⑧ Total personal deductions (Sum of ① thru ⑦)				Individuals with no wage and salary income (⑭)	

⑯ List of Dependants Eligible for Personal Deduction

Relationship (Code)	Name	Citizen/Foreigner	Resident (Alien) Reg. No.	Relationship (Code)	Name	Citizen/Foreigner	Resident (Alien) Reg. No.
			-				-
			-				-
			-				-
			-				-

* Relationship (Code): Yourself=0, Lineal ascendant of yourself=1, Lineal ascendant of your spouse=2, Spouse=3, Children or adoptees among lineal descendants=4, Other lineal descendants (if a lineal descendant and his/her spouse are both disabled, also include the spouse)=5, Siblings=6, Recipients of the basic livelihood security system=7 Child under foster care=8 (Relationship codes 4~6 include the relationship of both yourself and your spouse.)

Income Deductions Under the Restriction of Special Taxation Act

⑰ Relevant Article (Title) of the Restriction of Special Taxation Act	⑱ Code	⑲ Amount	⑳ Business reg. no
㉑ Sum of income deductions under the Restriction of Special Taxation Act			
㉒ Sum of income deductions (⑧ through ⑪ + ⑮ + ㉑)		㉓ Amount exceeding composite ceiling on income deduction	

Instruction for Filling Out ⑩-1 Calculation of Composite Ceiling on Income Deduction

※ Fill out ⑩ Statement of Income Deductions on page 15 after completing this form.

1. Composite Ceiling on Income Deduction (Article 132-2, Restriction of Special Taxation Act)

When calculating the income tax on the global income of a resident, if the total sum of the amounts of the following deductions and incurred expenses exceeds 25 million won, the amount in excess shall be deemed nil.

- (1) Housing fund deductions among special deductions under Article 52 of the Income Tax Act
- (2) Income deduction for contributions, etc. to the Small and Medium Business Start-Up Investment Fund (Article 16 (1) of the Restriction of Special Taxation Act), excluding contributions or investments under Article 16 (1) 3 or 4
- (3) Income deductions for deposits to mutual aid funds for small enterprises and small entrepreneurs (Article 86-3 of the Restriction of Special Taxation Act)
- (4) Income deduction for collective savings for subscription of housing (Article 87 (2) of the Restriction of Special Taxation Act)
- (5) Income deduction for contributions to employee stock ownership associations (Article 88-4 (1) of the Restriction of Special Taxation Act)
- (6) Income deductions for long-term collective investment securities savings (Article 91-16 of the Restriction of Special Taxation Act)
- (7) Income deductions for charges on credit cards, etc. (Article 126-2 of the Restriction of Special Taxation Act)

2. Summary of Composite Ceiling on Income Deduction

Item	Classification	Deduction ceiling	Whether composite ceiling applies
Personal deduction	Basic deduction(yourself, your spouse and dependent family members)	1.5 million won per person	×
	Additional deduction	1 million won per elderly person, 2 million won per disabled person, 500,000 won for woman taxpayer, 1 million won for single-parent	×
Pension premium	Public pension premium	Total amount	×
Reverse annuity mortgage interest expense		2 million won per year (ceiling for pension income amount)	×
Special Income Deduction	Health insurance premium, employment insurance premium, long-term care insurance premium	Total amount	×
	Housing fund The amount of repaid principal for housing rental loans (㉑)	(㉑ + ㉒) 3 million won per year	○
	The amount of interest paid on long-term mortgage loans (㉒)	(㉑ + ㉒ + ㉓) 5 million won per year (18 million won)	○
Other Income Deduction	Personal pension savings	720,000 won per year	×
	Contributions to a small and medium business start-up investment fund	50% of global income	○ (excluding contributions to personal investment associations and investments in start-ups, crowd fundings, etc.)
	Deposits made in a mutual aid funds for small enterprises and small entrepreneurs	5 million won, 3 million won, 2 million won depending on the business income (wage & salary income) amount	○
	Deposits in a savings account for housing purchase(㉓) (savings account for subscription, collective savings account for housing subscription)	(㉑ + ㉒) 3 million won per year	○
	Contribution to Employee Stock Ownership Association	4 million won per year	○
	Long-term collective investment security savings	2.4 million won per year	○
	Charges on credit card, etc.	Min [3 million won, 20% of total wage] + 1 million won(traditional market) + 1 million won(public transportation)	○
	Employees of SMEs that maintain employment	10 million won per year	×

II-1 Calculation of Composite Ceiling on Income Deduction

Special Deductions Under the Income Tax Act

Classification	Amount	Eligibility
① Housing funds		Employee

Income Deductions Under the Restriction of Special Taxation Act

Classification	Amount	Eligibility
② Contributions to a small and medium business start-up investment fund		Resident
③ Deposits made in a mutual aid fund for small enterprises and small entrepreneurs		Resident
④ Deposits in a savings account for housing purchase (savings account for subscription, collective savings account for housing subscription)		Employee
⑤ Contribution to Employee Stock Ownership Association		Employee
⑥ Long-term collective investment security savings		Employee
⑦ Charges on credit card, etc.		Employee
⑧ Total income deduction subject to composite ceiling (① thru ⑦)	⑨ Amount in excess of composite ceiling on income deduction (Total income deduction subject to composite ceiling - 25 million won)	

Instructions for Filling Out ⑫ Statement of Tax Reduction/Exemption, ⑬ Statement of Tax Credits

1. Where the regulations on income tax reduction/exemption and regulations on tax credit both apply, tax reduction/exemption or tax credit shall apply in the following order:
 - a. Tax reduction/exemption for the income of the taxable year
 - b. Tax credit for which deduction carried forward is not recognized
 - c. Tax credit for which deduction carried forward is recognized. In this case, if there exists tax credit for the relevant taxable period and tax credit carried forward from the previous taxable period, the carried forward tax credit shall be deducted first.
- * If the sum of tax reduction/exemption and tax credit exceeds the amount of tax payable (excluding penalty tax), the amount in excess shall be deemed nil. If the amount of tax payable falls short of the minimum tax as prescribed by Article 132 of the Restriction of Special Taxation Act, tax reduction/exemption shall not apply to the amount that falls short of the minimum tax amount. However, tax credit for which deduction carried forward is recognized can be carried forward to the next taxable period and deducted from income tax on business income.
2. ① & ⑤: Write down the title of the Article on tax reduction/exemption or tax credit under the Restriction of Special Taxation Act.
 - a. For 'Tax credit for dividends' (Article 56, Income Tax Act), enter the amount in ③ under ④ Dividend tax credit under ⑩ Computation of Global Income Tax (for taxpayers with financial income) on page 23. If you have global income as prescribed by Article 64 of the Income Tax Act and gains on sale of housing (including attached land), etc. (i.e., a resident with gains on sale of housing or land falling under any one of Articles 104 (1) 4 through 8 and 10 of the Income Tax Act), enter the amount in ⑤ under ④ Dividend tax credit from ⑩ Computation of Global Income Tax (for taxpayers with financial income and gains from sale of housing, etc.) on page 29.
 - b. Child Tax Credit
 - 1) If a resident with global income has two children (including adopted or foster children) or less subject to basic deduction, tax credit of 150,000 won applies per child. If there are more than two children, the tax credit amount shall be 300,000 won plus 300,000 won per child from the third child and up. (Example: If there are four children, child tax credit is calculated as follows: 300,000 won + (300,000 won x 2) = 0.9 million won)
 - 2) Tax credit for childbirth and adoption: If you gave birth or adopted a child subject to tax credit, tax credit of 300,000 won for the first child, 500,000 won for the second child and 700,000 won for the third child and up applies.
 - c. Pension account tax credit: Pension account deposit (up to 4 million won; 3 million won if you have only wage & salary income of more than 120 million won or global income of more than 100 million won) X 12% (15% for employees with global income of 40 million won or less or with only wage & salary income of 55 million won or less)
 - d. Special tax credit
 - 1) Tax credit for insurance premium, medical expense (20% for infertility treatment expense, education expense), education expense
 - 2) Tax credit for donations: Fill out this box after filling out a statement of donations (attached form no. 45). The donations eligible for tax credit is the amount of donations not included in necessary expense for business income that is within the limit of tax credit that applies to donations classified by code. Tax credit for donations classified as codes 10, 40, 41 under the Statement of Donations shall be entered here, and tax credit for donations classified as codes 20 and 42 shall be entered under tax credits under the Restriction of Special Taxation Act.
The amount of tax credit deducted from global income tax is 15/100 of the donation amount excluding the donations that were included in necessary expense when calculating business income (if such amount exceeds 20 million won, 30/100 shall apply for the amount in excess of 20 million won). However, the amount of interest income for which withholding tax rate applies in accordance with business income or Article 62 of the Act and the amount of tax on dividend income computed pursuant to presidential decree shall be excluded.
For political funds donated pursuant to Article 76 of the Act, the tax credit rate is 100/110 for donations up to 100,000 won, and 15% for the amount in excess of 100,000 won (25% for the amount in excess of 30 million won).
[Donations subject to tax credit]
 - ④ Statutory donations, political fund donations: Global income ceiling
 - ⑤ Contributions to an employee stockholder association: [Global income - sum of statutory donations, political fund donations] X 30%
 - ⑥ Designated donations (where there are donations to a religious group): Sum of the below
 - Donations to religious groups: [Global income - (statutory donations+political fund donations+contributions to an employee stockholder association)] X 10%
 - Designated donations other than donations to religious groups: The lesser of a) [Global income - (statutory donations+political fund donations+contributions to an employee stockholder association)] X 20% and b) designated donations excluding donations to religious groups
 - ⑦ Designated donations (where there are no donations to a religious group): [Global income - (statutory donations+political fund donations+contributions to an employee stockholder association)] X 30%
3. In accordance with Article 100-18 of the Restriction of Special Taxation Act, the amount of tax credit and tax reduction/exemption allocated from a partnership firm is subject to tax credit or tax reduction/exemption.
4. ② Code: Leave as blank
5. ③ Tax reduction/exemptions, Tax credit: Enter the applicable amount of tax reduction/exemption or tax credit. In the case of tax credit that can be carried forward, the undeducted amount carried forward from the previous taxable period shall be included, but the amount that is carried forward to the next taxable period shall not be included.
6. ④ Business registration no.: Enter the business registration number of the place of business where the tax reduction/exemption or tax credit incurred.

Instructions for Filling Out ⑭ Statement of Reserves

1. ① Article (title) of the Restriction of Special Taxation Act: Write down the title of the Article of the Restriction of Special Taxation Act which prescribes the inclusion of reserves in necessary expense. (e.g.: Article 9 of the Restriction of Special Taxation Act (Inclusion of Reserves for Research and Human Resources Development in Deductible Expense))
2. ② Code: Leave as blank
3. ③ Year & ④ Amount: Enter the year in which reserves were included in necessary expenses and the amount of the reserves.
4. ⑤ Reserves released: Enter the amount of reserves released in the current year and included in total income amount.
- ⑥ Cumulative amount: Enter the cumulative amount of reserves up to the current year (cumulative amount of reserves released up to the previous year + amount of reserves released in the current year)
5. ⑦ Business registration no.: Enter the business registration number of the place of business from which the reserves incurred.

12 Statement of Tax Reduction/Exemption

① Title (Article of relevant law)	② Code	③ Tax reduction/ exemption	④ Business registration no.
⑤ Total tax reduction/exemption			

13 Statement of Tax Credits

Tax credit items		② Code	Eligible amount (a)	Tax credit rate (b)	③ Tax credit (a×b)	④ Business reg. no.	
① Tax credits under the Income Tax Act							
Tax credit for dividends							
Tax credit for bookkeeping							
Foreign tax credit							
Tax credit for e-invoice issuance							
Casualty loss tax credit							
Tax credit for wage & salary income							
Child tax credit (no. of children)	Basic deduction ()						
	New born/adopted children ()						
Pension account tax credit	Deduction for scientists and engineers						
	Retirement pension			12% (15%)			
	Pension savings						
Special tax credit	Insurance premium	Coverage insurance		12%			
		Coverage insurance for the disabled		15%			
	Medical expense			15% (20%)			
	Education expense			15%			
	Donation	Statutory			15%		
		Designated			(30%)		
Standard tax credit							
Tax credit for payment of tax by taxpayer association							

⑤ Title of Article on tax credit under the Restriction of Special Taxation Act

Political donations	100,000 won or less			100/110		
	Over 100,000 won			15/100 (25/100)		
⑥ Total tax credit (① Income Tax Act + ⑤ Restriction of Special Taxation Act)						

14 Statement of Reserves

① Article (title) of the Restriction of Special Taxation Act	② Code	Inclusion of reserves in deductible expense		Reserves released		⑦ Business registration no.
		③ Year	④ Amount	⑤ Released amount	⑥ Cumulative amount	

Instructions for Filling Out 15 Statement of Penalty Taxes

1. ① Penalty tax for non-filing & ② Penalty tax for under-reporting: In the case of penalty tax for unlawful acts in the process of international transactions, penalty tax rate of 60/100 shall apply. If you are subject to double-entry bookkeeping, enter the larger amount between tax payable for non-filing (under-reporting) or the amount calculated by applying the penalty tax rate to the amount of revenue. If a taxpayer subject to double-entry bookkeeping does not submit a financial statement, balance sheet, compound trial balance and statement of adjustment, it shall be considered that a finalized return has not been filed and he/she is subject to penalty tax for non-filing.
2. ③ Penalty tax for unfaithful payment (refund): From the day following the due date for payment until Feb. 11, 2019, penalty tax rate of 0.0003% shall apply. From Feb. 12, 2019 and onwards, 0.00025% shall apply.
3. In the case of penalty for fraudulent transactions such as penalty for late submission of invoice under ④ Penalty for unfaithful filing, ⑩ Refusal to issue credit card sales receipt and ⑫ Non-issuance of cash receipts, penalty shall apply from the taxable year starting on or after Jan. 1, 2018. As for penalty tax related to simplified statement of payment of wage and salary income, income attributable to the taxable period to which Jan. 1, 2019 belongs shall be reduced to 50/100 of the calculated amount.
4. ⑤ Penalty tax for no documentary evidence: If an official documentary evidence (e.g., tax invoice, invoice, credit card sales slip, cash receipt) was not received or a false documentary evidence was received, enter the amount calculated by applying the penalty tax rate to the relevant amount.
5. ⑨ Penalty for non-bookkeeping: If a business operator subject to simplified bookkeeping whose revenue of the immediately preceding taxable period is 48 million won or more did not keep books and instead files a return by estimation, or if a person subject to double-entry bookkeeping did not keep books in accordance with the double-entry bookkeeping method, enter the amount calculated by multiplying 20% to the calculated tax amount. If penalty tax for non-bookkeeping and penalty tax for non-filing both apply, enter the larger amount. If the amount of both penalty taxes is identical, enter the penalty tax for non-filing.
6. ⑩ Penalties for failure to use/declare business-purpose bank account: If you have failed to open/declare a business bank account within the due date, penalty tax equivalent to the amount calculated by multiplying 2/1,000 by the larger amount between: 1) the revenue earned during the un-opened/un-declared period or 2) the money remained on the business-purpose accounts shall be imposed.
7. ⑩ Penalties for failure to use business-purpose bank accounts: If you opened/ declared a business-purpose bank account but failed to use it, penalty tax equal to the amount calculated by multiplying the money remained on the accounts by 2/1,000 shall be imposed.
8. ④ Penalty for unfaithful filing, ⑤ No documentary evidence, ⑥ Non-submission of specification of receipt, ⑦ Unfaithful report on present state of business place, ⑬ Unfaithful receipt of donation receipts, ⑮ Penalty tax for unfaithful submission of statement of calculation of retained earnings: Enter the amount of penalty. The penalty ceiling is 50 million won (for non-SMEs, the penalty ceiling is 100 million won) per type of penalty. In the case of penalty for willful violation, the penalty ceiling shall not apply.
9. ⑭ Penalty allocated to partnership firm: Enter the amount of penalty tax allocated from each partnership company pursuant to Article 100-18 of the Restriction of Special Taxation Act.
10. ⑮ Penalty tax for non-submission of certificate of compliant tax filing: If a business taxpayer did not submit a certificate of compliant tax filing by June 30 of the year following the relevant taxable period subject to confirmation of compliant tax filing, enter the amount calculated as follows: (portion of unreported business income to total global income X global income tax) X 5/100.
11. ⑮ Penalty tax for unfaithful submission of statement of calculation of retained earnings: Where the submitted statement is deemed incomplete due to omission of all or part of the statement, etc., enter the amount calculated by multiplying 5/1,000 to the amount of retained earnings subject to dividend payout.
12. If you meet one of the conditions for penalty tax reduction or exemption as specified in Article 48-2 of the Framework Act on National Taxes, subtract the reduced or exempted amount from the penalty tax.

Instructions for Filling Out 16 Statement of Tax Prepaid

1. ① Interim tax payment: Enter the amount of interim payment of income tax..
2. ② Tax paid on preliminary return on gains on sale of land, etc., ③ Amount of preliminary return of tax on gains on sale of land, etc.: Enter the amount of tax on preliminary return on gains on sale of land, etc. paid by a real estate dealer as prescribed by Article 69 of the Income Tax Act or the amount of income tax determined or reassessed and notified by the head of the competent district tax office, etc.
3. ④, ⑳ Tax levied on non-regular basis: Enter the amount of income tax or special tax for rural development levied on a non-regular basis pursuant to the Income Tax Act and the Act on Special Rural Development Tax
4. ⑤ Interest income: Enter the total amount in ⑥ from ⑤ Statement of Interest Income on page 5.
5. ⑥ Dividend income: Enter the total amount of ⑨ in ⑥ Statement of Dividend Income on page 7.
6. ⑦, ㉑ Business income: Enter the total amount in ㉓ and ㉔ from ⑦ Statement of Business Income on page 9.
7. ⑧, ㉒ Wage & salary income: Enter the total amount in ⑧ and ⑨ of Wage & Salary Income from ⑧ Statement of Wage & Salary Income, Pension Income and Other Income on page 11.
8. ⑨ Pension income & ⑩ Other income: Enter the total amount in ⑧ of Pension Income and Other Income from ⑧ Statement of Wage & Salary Income, Pension Income and Other Income on page 11.

15 Statement of Penalty Taxes

Classification		Calculation Base	Tax base	Rate	Penalty tax	
① Penalty tax for non-filing	Intentional	Tax amount to be paid due to non-filing		40/100(60/100)		
		Gross revenue		14/10,000		
	Unintentional	Tax amount to be paid due to non-filing		20/100		
		Gross revenue		7/10,000		
② Penalty tax for under-reporting	Intentional	Under-reported amount		40/100(60/100)		
		Gross revenue		14/10,000		
	Unintentional	Under-reported amount		10/100		
③ Penalty for unfaithful payment(refund)		Number of days past the due date				
		Amount of unpaid (unrefunded) tax		25/100,000		
④ Penalty for unfaithful filing	Statement of disbursement	Non-submission	Amount		1/100	
		Late submission	Amount		0.5/100	
	Simplified statement of payment of wage & salary income	Non-submission (inaccurate submission)	Amount		0.5/100(0.25/100)	
		Late submission	Amount		0.5/100(0.25/100)	
	Invoice	Non-issuance (fraudulent issuance)	Value of supply		2/100	
		Late issuance	Value of supply		1/100	
		Inaccurate invoice	Inaccurate amount		1/100	
		Invoice other than e-invoice	Value of supply		1/100	
		Non-submission of e-invoice	Value of supply		3/1,000(1/100)	
		Late submission of e-invoice	Amount		1/1,000(5/1,000)	
	Sum of invoice	Non-submission or inaccurate invoice	Value of supply (or inaccurate amount)		0.5/100	
		Late submission	Amount		0.3/100	
Sum of tax invoice by supplier	Non-submission or inaccurate invoice	Value of supply (or inaccurate amount)		0.5/100		
	Late submission	Amount		0.3/100		
Sub-total						
⑤ No documentary evidence	Non-receipt	Amount		2/100		
	Inaccurate receipt	Inaccurate amount		2/100		
⑥ Non-submission of specification of receipt	Non-submission	Unreported amount		1/100		
	Inaccurate submission	Inaccurate amount		1/100		
⑦ Unfaithful report on present state of business place	Non-reporting	Revenue		0.5/100		
	Under-reporting	Revenue		0.5/100		
⑧ Unfaithful registration of co-invested business place	Non-/fraudulent registration	Gross revenue		0.5/100		
	Fraudulent registration of profit allocation ratio	Gross revenue		0.1/100		
⑨ Non-bookkeeping		Computed tax amount		20/100		
⑩ Failure to use business purpose bank account	Failure to open/register	Revenue, etc.		0.2/100		
	Failure to use	Unused amount		0.2/100		
⑪ Refusal to issue credit card sales receipt	Amount of refused issuances			5/100		
	Number of cases of refusal			5,000 won		
	Fraudulent issuance	Issued/received amount		2/100		
⑫ Non-issuance of cash receipts	Non-registration as cash receipt issuance store	Revenue		1/100		
	Refusal to issue a cash receipt or issuance of a false cash receipt (Amount)			5/100		
	Refusal to issue a cash receipt or issuance of a false cash receipt (no. of cases)			5,000 won		
	Fraudulent issuance	Issued/received amount		2/100		
	Unissued	amount		20/100 (10/100)		
⑬ Unfaithful report of donation receipts	Unfaithful issuance	Unfaithful amount		2/100		
	Failure to record/keep	Unrecorded amount		0.2/100		
⑭ Penalty allocated to partner company						
⑮ Penalty tax for non-submission of certificate of compliant tax filing		Computed tax amount		5/100		
⑯ Penalty tax for unfaithful submission of statement of calculation of retained earnings		Retained earnings subject to dividend payout		0.5/100		
⑰ Total amount						

16 Statement of Tax Prepaid

Classification	Income tax	Special Rural Development Tax
Interim tax payment	①	
Tax paid on preliminary return on gains on sale of land, etc.	②	
Amount of preliminary return of tax on gains on sale of land, etc.	③	
Tax levied on non-regular basis	④	㉑
Tax withheld and tax collected by taxpayer association	Interest income	⑤
	Dividend income	⑥
	Business income	⑦
	Wage & salary income	⑧
	Pension income	⑨
	Other income	⑩
Total amount of tax prepaid	⑪	㉒

Instructions for Filling Out 17 Computation of Global Income Tax (for taxpayers with financial income)

※ Do not fill out this form if your financial income consists of only non-taxable interest income, interest income subject to separate taxation and dividend income pursuant to the Income Tax Act and Restriction of Special Taxation Act.

1. Definitions of terms

- (1) 'Financial income' refers to interest income and dividend income subject to global income taxation, excluding non-taxable interest income, interest income subject to separate taxation and dividend income pursuant to the Income Tax Act and Restriction of Special Taxation Act.
- (2) 'Interest income and dividend income not withheld (2, 3, 7)' refers to interest income and dividend income not withheld (overseas financial income, etc.) pursuant to Article 127 of the Income Tax Act, and interest income is classified into interest of non-business loan (3) and other interest income (2).
- (3) '2 Amount exceeding threshold' refers to the amount remaining after deducting the global taxation threshold amount (20 million won) from the taxable financial income.
* Threshold for global taxation of financial income: 20 million won (40 million won for income attributable up to 2012)

2. Whether to fill out 2 or 3

- (1) If your annual financial income is more than 20 million won, fill out 2 Financial income (5+9) exceeds the threshold for global income taxation.
- (2) If the sum of your annual interest income and dividend income not withheld (overseas financial income, etc.) is 20 million won or less, fill out 3 Financial income (5+9) is not more than the threshold for global income taxation (20 million won).

3. 1, 2, 3, 4: Enter the amount in 5 Interest income amount for each type of income code from 5 Statement of Interest Income on page 5.

(Example: For interest income code '11', enter the amount in 1. For codes 12 and 15, enter the amount in 2. For codes 13 and 15, enter the amount in 4.)

4. 6 Dividend income subject to gross-up: Enter the sum of '6 Eligible dividends' of code 21 from 6 Statement of Dividend Income on page 7. In 7 Dividend income not withheld, enter the sum of 5 Dividend amount of code 23 and 26 from 6 Statement of Dividend Income on page 7.

5. 8 Dividend income other than 6,7: Enter the amount calculated by subtracting 6 Eligible dividends from the sum of dividend income of codes 21, 22 and 29 from 6 Statement of Dividend Income on page 7.

6. 13 Grossed-up amount: Enter the sum of 7 Gross-up amount (i.e., 6 Eligible dividends X gross-up rate) of code 21 from 6 Statement of Dividend Income on page 7.

7. 14, 25, 34 Global income other than financial income: Enter the amount of income calculated by subtracting interest income and dividend income from 5 Income after deduction of deficit/ deficit carried forward from 9 Statement of Global Income & Deduction of Deficit and Deficit Carried Forward on page 13. If deficit or deficit carried forward of business income was deducted from interest income, etc., subtract the deducted amount.

8. When calculating 29 and 38, if other global income amount includes dividend income allocated from a partnership firm (i.e., code 28 from 6 Statement of Dividend Income on page 7), enter the larger amount between a and b below:

- a. (Other global income including dividend income allocated from a partnership firm - income deduction) × basic tax rate
- b. Dividend income allocated from a partnership firm × 14% + [(Other global income - dividend income allocated from a partnership firm) - Income deduction] × basic tax rate

9. Income deduction (16, 26, 35): Enter the amount calculated by subtracting 23 Amount exceeding composite ceiling on income deduction from 22 Sum of income deductions from 11 Statement of Income Deduction on page 15.

10. 20, 24: For financial income incurred on or after Jan. 1, 2005, apply a tax rate of 14/100 (15/100 for financial income incurred on or before Dec. 31, 2004) and enter the sum of tax that was or was not withheld.

11. 22: For financial income incurred on or after Jan. 1, 2005, enter the sum of tax withheld or not withheld with the tax rate of 14/100 (15/100 for financial income incurred on or before Dec. 31, 2004) applied.

12. 22, 33: For interest of non-business loan, apply a tax rate of 25/100.

13. 4 Dividend Tax Credit: In 40, enter the lesser of 13 and (31 - 30).

17 Computation of Global Income Tax (for taxpayers with financial income)

1 Statement of Financial Income

Classification	Amount	Classification	Amount
① Interest of non-business loan		⑥ Dividend income subject to gross-up	
② Interest income not withheld		⑦ Dividend income not withheld	
③ Interest of non-business loan not withheld		⑧ Dividend income other than ⑥, ⑦	
④ Interest income other than ①, ②, ③		⑨ Total dividend income (⑥+⑦+⑧)	
⑤ Total interest income (①+②+③+④)			

2 Financial income (⑤+⑨) exceeds the threshold for global income taxation (20 million won)	3 Financial income (⑤+⑨) is not more than the threshold for global income taxation (20 million won)
---	--

Classification	Amount (won)	Classification	Amount (won)
⑩ Financial income (⑤+⑨)		㉒ [(②+⑦)×(14/100)]	
⑪ Global income taxation threshold	20,000,000	㉓ [③×(25/100)]	
⑫ Amount exceeding threshold (⑩-⑪)		㉔ Global income other than financial income	
⑬ Grossed-up amount		㉕ Income deduction	
⑭ Global income other than financial income		㉖ Tax base (㉔-㉕)	
⑮ Global income excluding global income taxation threshold (⑫+⑬+⑭)		㉗ Basic tax rate	
⑯ Income deduction		㉘ Tax calculated	
⑰ Tax base(⑮-⑯)		㉙ Calculated global income tax amount(㉒+㉓+㉘)	
⑱ Basic tax rate			
⑲ Tax calculated			
㉚ [(⑰ × (14/100, 9/100)]			
㉛ Tax calculated by comparative taxation (⑲+㉚)			
㉜ Interest of non-business loan [(①+③)×25/100]			
㉝ Financial income excluding interest of non-business loan [⑩ - (①+③)]			
㉞ [㉝×(14/100, 9/100)]			
㉟ Global income other than financial income (⑭)			
㊱ Income deduction			
㊲ Tax base (㉟-㊱)			
㊳ Basic tax rate			
㊴ Tax calculated			
㊵ Tax calculated by comparative taxation (㊴+㉚+㉜)			
㊶ Calculated global income tax (the larger of ㉛ and ㊵)			
4 Dividend Tax Credit			
㊷ The lesser of ⑬ and (㊶-㊷)			

Instructions for Filling Out 18 Computation of Estimated Income (for taxpayers subject to standard expense rate)

* Fill out this form if you are filing by estimation based on the standard expense rate. Fill out your estimated income classified by income type and place of business on a separate piece of paper. Fill out in the order of: ① through ⑨, ⑫ through ⑭, and ⑯ through ⑳.

1. ① Income classification code: Enter the income classification code in the following order:

- (1) Real estate lease business income: 30
- (2) Business income other than real estate lease business income: 40
- (3) Business income from housing lease business: 32 (701101, 701102, 701103, 701104)

2. ② Serial no.: For real estate lease business income and income from business other than real estate lease business, a serial number should be given for each place of business. If there are two or more places of business for either type of income, enter each real estate lease income and their sum, and then fill in each income from business other than real estate lease business and their sum.

3. When filling out A. Computation of Income (①-⑨), if multiple business types are operated in the same place of business, enter each type of business in ⑦, ⑧ and ⑨ and enter the sum of each business type in 'Total ()'. If a single business type is operated in a place of business, enter the sum in the 'Total ()' column.

4. Fill out Purchase expenses (⑫-⑮) and Rental expenses (⑯-⑲) as follows:

- (1) Enter the amount on official documentary evidence (e.g., tax invoice, invoice, credit card sale slip, cash receipt) in ⑫ and ⑲.
- (2) If you received documentary evidence other than official ones, enter the amount on the statement of primary expenses in ⑭ and ⑳.
- (3) For the amounts that do not require the receipt of an official documentary evidence, such as when the price of supplied goods is not more than 30,000 won per transaction, enter in ⑮ and ⑱.

5. Fill out Wage expenses (㉑-㉓) as follows:

- (1) Enter the amount on the withholding receipt for wage, salary and retirement benefit and statement of payment submitted to the competent district tax office in ㉑.
- (2) For the amount for which withholding receipt or statement of payment cannot be submitted, enter the amount in ㉓.

6. Enter ⑩ Primary expenses included in beginning inventory assets and ⑬ Primary expenses included in ending inventory assets only if they can be calculated separately.

7. ⑪ Expenditures in the current taxable year: Enter the amount in ㉔ from B. Statement of Computation of Primary Expenses for the Current Taxable Year (by income type and place of business).

8. ⑭ Standard expense rate (%): Enter the standard expense rate (%) by type of business (standard expense rate $\times \frac{1}{2}$ if you are subject to double-entry bookkeeping).

9. ⑮ Simplified expense rate (%): Enter the simplified expense rate (%) by type of business.

10. ⑯ Amount: Enter the amount calculated as follows: ⑨ Gross revenue \times (1 - ⑮ Simplified expense rate)

11. ⑰ Comparative income amount: ⑯ \times Ratio set by the ordinance of the Ministry of Strategy and Finance (3.2 for taxpayers subject to double-entry bookkeeping and 2.4 for those subject to simplified bookkeeping)

12. ⑱ Income amount: Enter the amount in ⑰ Standard income amount. You may choose to enter the lesser of ⑰ Standard income amount and ⑱ Comparative income amount.

18 Computation of Estimated Income (for taxpayers subject to standard expense rate)

A. Computation of Income

① Income classification code	()	()	Total()	
② Serial no.				
③ Place of business				
④ Taxable period			from . . . to . . .	
⑤ Company name				
⑥ Business registration no.				
⑦ Type/category of business	/	/	/	
⑧ Business code				
⑨ Gross revenue				
Standard income amount	Necessary expenses	⑩ Included in beginning inventory assets		
		⑪ Expenditures in the current taxable year (=⑭)		
		⑫ Included in ending inventory assets		
		⑬ Total amount (⑩+⑪-⑫)		
	Expenses calculated using standard expense rate		⑭ Standard expense rate (%)	
			⑮ Amount (⑨×⑭)	
	⑯ Total necessary expenses (⑬+⑮)			
⑰ Standard income amount (⑨ - ⑯)(if ⑰ < 0, enter "0")				
Comparative income amount	Income calculated with simplified expense rate		⑱ Simplified expense rate (%)	
			⑲ Amount [⑨×(1-⑱)]	
	⑳ Comparative income amount (⑲×Ratio set by the ordinance of the Ministry of Strategy and Finance)			
㉑ Income amount (The lesser of ⑰ and ㉑)				

B. Statement of Computation of Primary Expenses for the Current Taxable Year (by income type and place of business)

Classification	Total (A) (=B+C+D)		(B) Amount based on official documentary evidence	(C) Amount based on statement of primary expenses	(D) Amount not included in statement of primary expenses
Purchase expenses	㉒		㉓	㉔	㉕
Rental expenses	㉖		㉗	㉘	㉙
Wage expenses	㉚		㉛	㉜	㉝
Total (㉞ = ㉟)	㉞		㉟	㊱	㊲

Attachments Statement of Primary Expenses (1 copy)

19 Computation of Global Income Tax (for dealers of housing, etc.)

1. Fill out this form only if you are a real estate dealer as prescribed by Article 64 of the Income Tax Act who has gains from transaction of sale of housing (including attached land) in addition to global income (a resident with gains from sale of a housing or land falling under one or more of the conditions in Articles 104 (1) 4, 8, 10 and Article 104 (7) of the Income Tax Act).
2. If you are a real estate dealer who has financial income subject to global income taxation, you should also fill out 20 Computation of Global Income Tax (for taxpayers with financial income and gains on sale of housing, etc.) on page 29.
3. ① Sum of global income: The amount calculated pursuant to Article 64 (1) 1 of the Income Tax Act. Enter the following amounts in each category as below:
 - (1) ㉑ Gross revenue: Enter the sum of ⑤ Interest income amount from page 5, ⑧ Dividend income from page 7, ⑨ Gross revenue from page 9, and ⑤ Gross revenue from page 11.
 - (2) ㉒ Income amount: Enter the sum of ⑤ Income after deduction of deficit/deficit carried forward from page 13.
 - (3) ㉓ Necessary expenses: Subtract ㉑ Income amount from ㉑ Gross revenue
 - (4) ㉔ Income deduction (Basic deduction on capital gains): Subtract ㉒ Sum of income deductions from ㉓ Amount exceeding composite ceiling on income deduction from page 15.
 - (5) ㉕ Tax base: Subtract ㉔ Income deduction (Basic deduction on capital gains) from ㉒ Income amount.
 - (6) ㉖ Calculated tax amount: (㉕ Tax base x Tax rate) - Progressive deduction amount
4. ② Sum: Enter the amount calculated pursuant to Article 64 (1) 2 of the Income Tax Act.
 - (1) ㉗ through ㉘: Enter the same amount as Column 1.
 - (2) ㉙ Income deduction (Basic deduction on capital gains): Enter the sum of ③ and ④.
 - (3) ㉚ Tax base: Subtract ㉘ Income amount from ㉙ Income deduction (Basic deduction on capital gains)
 - (4) ㉛ Calculated tax amount: Enter the sum of ③ and ④.
5. ③ Global income other than gains from sale of housing, etc.
 - (1) ㉜ through ㉝: Subtract ㉘ Sum of gains from sale of housing, etc. from ② Sum.
 - (2) ㉞ Income deduction (Basic deduction on capital gains): Enter the amount in ①.
 - (3) ㉟ Tax base: Subtract ㉞ Income deduction (Basic deduction on capital gains) from ㉜ Income amount.
 - (4) ㊱ Calculated tax amount: (㉟ Tax base x Tax rate) - Progressive deduction amount
6. ⑤ through ⑩: For gains on sale of housing, etc., apply the appropriate tax rate on capital gains under Articles 104 (1) 4, 8, 10 and Article 104 (7) of the Income Tax Act.
 - (1) ㉑ through ㉒: Calculate ㉒ income amount by subtracting the necessary expenses (㉓) calculated pursuant to Articles 163 (1)-(5) of the Enforcement Decree of the Income Tax Act from the Value of sale of housing, etc. (㉑).
 - (2) ㉔ Income deduction (Basic deduction on capital gains): The amount of basic deduction on capital gains is 2.5 million won per year. However, capital gains from sale of unregistered housing is not subject to basic deduction on capital gains.
 - (3) ㉕ Tax base: ㉔ Income amount - ㉒ Income deduction (Basic deduction on capital gains)
 - (4) ㉖ Calculated tax amount: (㉕ Tax base x Tax rate) - Progressive deduction amount
7. ㉗ Tax rate: Enter the applicable tax rate pursuant to Articles 55 and 104 of the Income Tax Act.
8. Comparative tax amount: Enter the amount that is larger between: ㉖ Calculated tax amount from ① Sum of global income and: ㉖ Calculated tax amount from ② Sum of Computation of comparative tax amount.

19 Computation of Global Income Tax (for dealers of housing, etc.)

1. Comparison of Calculated Global Income Tax

Classification	① Sum of global income	Computation of comparative tax amount		
		② Sum	③ Global income other than gains from sale of housing, etc.	④ Sum of gains from sale of housing, etc. (Sum of ⑤ thru ⑪)
㉑ Gross revenue (Value of sale of housing, etc.)				
㉒ Necessary expenses				
㉓ Special deduction for long-term holding				
㉔ Income amount				
㉕ Income deduction (Basic deduction on capital gains)				
㉖ Tax base				
㉗ Tax rate				
㉘ Calculated tax amount				

2. Computation of Tax on Gains from Sale of Housing, etc.

Classification	⑤ Assets subject to progressive tax rate	⑥ Assets subject to the progressive tax rate + 10% tax rate	⑦ Assets subject to the progressive tax rate + 20% tax rate	⑧ Assets subject to 40% tax rate	⑨ Assets subject to 50% tax rate	⑩ Assets subject to 60% tax rate	⑪ Assets subject to 70% tax rate (unregistered assets)
㉑ Gross revenue (Value of sale of housing, etc.)							
㉒ Necessary expenses							
㉓ Special deduction for long-term holding							
㉔ Income amount							
㉕ Income deduction (Basic deduction on capital gains)							
㉖ Tax base							
㉗ Tax rate							
㉘ Calculated tax amount							

Instructions for Filling Out 20 Computation of Global Income Tax (for taxpayers with both financial income and gains from sale of housing, etc.)

1. Definitions of terms
 - (1) "Financial income" refers to interest income and dividend income subject to global income taxation, excluding interest income and dividend income subject to non-taxation or separate taxation in accordance with the Income Tax Act and Restriction of Special Taxation Act.
 - (2) "Interest income and dividend income not withheld" (2, 3, 7) means interest income and dividend income (overseas financial income, etc.) that is not withheld pursuant to Article 127 of the Income Tax Act. Interest income is classified into interest of non-business loan (3) and other interest income (2).
 - (3) "2 Amount exceeding threshold" means the amount remaining after deducting global income taxation threshold (20 million won) from taxable financial income.
* Global income taxation threshold for financial income: 20 million won (40 million won for income attributable up to 2012)
2. How to choose between columns 2 and 3
 - (1) If your total annual financial income exceeds 20 million won, fill out column 2.
 - (2) If the sum of your interest income and dividend income (overseas financial income, etc.) not withheld pursuant to Article 127 of the Income Tax Act is not more than 20 million won, fill out column 3.
3. 1, 2, 3, 4: Enter the amount in 5 Interest income amount from 6 Statement of Interest Income on page 5, classified by income code.
(Example: Enter income classified as code 11 in 1, codes 12 and 15 in 2, and codes 13 and 16 in 4.)
4. 6 Dividend income subject to gross-up: Enter the sum of 6 Eligible dividends classified as code 21 from 6 Statement of Dividend Income on page 7. In 7 Dividend income not withheld, enter the sum of 5 Dividend amount classified as code 23s and 26 from 6 Statement of Dividend Income on page 7.
5. 8 Dividend income besides 6 and 7: Enter the amount calculated by subtracting the sum of 6 Eligible dividends from the sum of 5 Dividend amount classified as codes 21 and 22 from 6 Statement of Dividend Income on page 7 (i.e., 5 Dividend amount - Eligible dividends).
6. 13 Gross-up amount: Enter the sum of 7 Gross-up amount classified as code 21 from 6 Statement of Dividend Income on page 7 (i.e., 7 Dividend income subject to gross-up × Gross-up rate).
7. 14, 31, 44 Global income other than financial income: Enter the amount of 5 Income after deduction of deficit/ deficit carried forward (excluding interest income and dividend income) from 9 Statement of Global Income on page 13. If deficit or deficit carried forward from business income is deducted, subtract the deducted amount.
8. When calculating the tax amount in 35, 39, 49 and 54, if dividend income (code 28 of 6 Statement of Dividend Income on page 7) of a joint investment business operator is included in other global income amount, enter the larger of a and b.
a (Other global income amount including dividend income of joint investment business operators) × basic tax rate
b Dividend income of joint investment business operators × 14% + [(Other global income amount - dividend income of joint investment business operators) - income deduction] × basic tax rate
9. 16, 32, 46 Income deduction: Enter the amount calculated as follows: (22 Sum of income deductions - 23 Amount exceeding composite ceiling on income deduction from 11 Statement of Income Deductions on page 15.)
10. 20 · 30: For financial income incurred on or after Jan. 1, 2005, apply a tax rate of 14/100 (15/100 for financial income incurred on or before Dec. 31, 2004) and enter the sum of tax withheld or not withheld.
11. 42: For financial income incurred on or after Jan. 1, 2005, apply a tax rate of 14/100 (15/100 for financial income incurred on or before Dec. 31, 2004) and enter the sum of tax withheld or not withheld.
12. 28, 43: For interest of non-business loans, apply a tax rate of 25/100.
13. 41 Dividend Tax Credit: In 38, enter the lesser of 13 and [(44) - (the larger of 36 and 40)]
14. 22, 51 Gains from sale of housing, etc. before capital gains deduction: Enter the amount of 4 Income amount of 4 Sum of gains from sale of housing, etc. from 19 Computation of Global Income Tax (for dealers of housing, etc.) on page 27.
15. 26, 55 Tax on gains from sale of housing, etc.: Enter b Calculated tax amount of 4 Sum of gains from sale of housing, etc. from 19 Computation of Global Income Tax (for dealers of housing, etc.) on page 27.

20 Computation of Global Income Tax (for taxpayers with both financial income and gains from sale of housing, etc.)

1 Statement of Financial Income

Classification	Amount	Classification	Amount
① Interest of non-business loan		⑥ Dividend income subject to gross-up	
② Interest income not withheld		⑦ Dividend income not withheld	
③ Interest of non-business loan not withheld		⑧ Dividend income besides ⑥, ⑦	
④ Interest income besides ①, ②, ③		⑨ Total dividend income (⑥+⑦+⑧)	
⑤ Total interest income (①+②+③+④)			

2 If financial income(⑤+⑨) exceeds the global income taxation threshold (20 million won)

3 If financial income (⑤+⑨) is less than the global income taxation threshold (20 million won)

Classification	Amount	Classification	Amount
⑩ Financial income (⑤+⑨)		④② [(②+⑦) × (14/100)]	
⑪ Global income taxation threshold	20,000,000	④③ [③ × (25/100)]	
⑫ Amount exceeding threshold (⑩-⑪)		④④ Global income other than financial income	
⑬ Gross-up amount		④⑤ Global income(④④)	
⑭ Global income other than financial income		④⑥ Income deduction	
⑮ Global income other than standard amount(⑫+⑬+⑭)		④⑦ Tax base(④⑤-④⑥)	
⑯ Income deduction		④⑧ Basic tax rate	
⑰ Tax base (⑮-⑯)		④⑨ Tax calculated	
⑱ Basic tax rate		⑤① Sum of tax calculated by comparative taxation (④②+④③+④⑨)	
⑲ Tax calculated		⑤② Gains from sale of housing, etc. before capital gains deduction	
⑳ [(⑰ × (14/100, 9/100)]		⑤③ Tax base excluding gains from sale of housing, etc. (④⑦-⑤②)	
㉑ Sum of tax calculated by comparative taxation (⑲+⑳)		⑤④ Basic tax rate	
㉒ Gains from sale of housing, etc. before capital gains deduction		⑤⑤ Tax calculated	
㉓ Tax base excluding gains from sale of housing, etc. (⑰-㉒)		⑤⑥ Tax on gains from sale of housing, etc.	
㉔ Basic tax rate		⑤⑦ Sum of tax calculated by comparative taxation (④②+④③+⑤④+⑤⑥)	
㉕ Tax calculated		⑤⑧ Calculated global income tax amount (the larger of ⑤① and ⑤⑦)	
㉖ Tax on gains from sale of housing, etc.		4 Dividend tax credit	
㉗ Tax calculated by comparative taxation (㉑+㉕+㉖)		⑤⑨ The lesser of ⑬ and [(④①-(the larger of ⑤⑥ and ④①)]	
㉘ Interest of non-business loan [(①+③)×25/100]			
㉙ Financial income excluding interest of non-business loan [⑩-(①+③)]			
⑳ [(㉙ × (14/100, 9/100)]			
㉚ Global income other than financial income (⑭)			
㉛ Income deduction			
㉜ Tax base(㉚-㉛)			
㉝ Basic tax rate			
㉞ Tax calculated			
㉟ Tax calculated by comparative taxation (㉘+㉚+㉞)			
㊱ Tax base excluding gains from sale of housing, etc. (㉜-㉘)			
㊲ Basic tax rate			
㊳ Tax calculated			
㊴ Tax calculated by comparative taxation (㉞+㉟+㊳)			
㊵ Calculated global income tax amount (the largest among ㉗, ㉟, ㊲ and ㊴)			

Instruction for Filling Out ⑳ Computation of Tax on Gains on Exercise of Stock Options Subject to Special Treatment in Tax Payment

1. Fill out this form only if you are an executive or an employee of a venture business as prescribed by Article 16-3 of the Restriction of Special Taxation Act who is a resident applying for special treatment in tax payment of gains from exercising stock options by Dec. 31, 2021 to your withholding agent or to the head of your jurisdictional tax office when filing a final return of global income tax.
2. When filing a final return of global income tax base, you should file global income tax base including the income made by exercising stock options. However, the amount calculated as follows can be excluded when paying global income tax: [(Income tax of the relevant taxable period for gains from exercise of stock options) - (Global income tax of the relevant taxable year calculated by excluding the gains from exercise of stock options from the amount of global income)] X 4/5 (i.e., tax subject to special treatment in payment)
3. Where an executive, etc. of a venture business paid income tax in accordance with the above 2, an amount equivalent to 1/4 of the amount of tax payable in installments each year over the four years following the taxable year in which the date of stock option exercise falls should be paid.
4. **㉑** A statement of gains from exercise of stock option should be completed for each company from which such gains incurred.
5. **㉒** Tax subject to special treatment in tax payment shall be the amount calculated as follows: [(Global income tax for the relevant taxable period) - (Global income tax of the relevant taxable year calculated by excluding the gains from exercise of stock options from the amount of wage and salary (other) income)] X 4/5
6. In **㉓** and **㉔**, enter the period to which the special treatment in tax payment of gains on exercise of stock option applies and the amount of tax subject to special treatment in tax payment (amount to be paid in installments).
7. For **㉕** 1st yr, **㉖** 2nd yr, **㉗** 3rd yr and **㉘** 4th yr, fill in the amount of tax to be paid for the four years following the taxable period to which the day of exercising stock option belongs (1/4 of the amount to be paid in installments).
8. In **㉙** Balance, enter the amount calculated by subtracting the amounts under **㉕** 1st yr, **㉖** 2nd yr, **㉗** 3rd yr and **㉘** 4th yr from **㉔** Tax subject to special treatment in tax payment.

2 Computation of Tax on Gains on Exercise of Stock Options Subject to Special Treatment in Tax Payment

1 Gains from exercise of stock option

① Company name	② Business reg. no.	Receipt of stock option			Exercise of stock option			⑨ Gains from exercise of stock option {⑦×(⑧-⑤)}
		③ Date	④ No. of shares	⑤ Exercise price per share	⑥ Date	⑦ No. of shares	⑧ Market price per share	

2 Computation of tax subject to special treatment in tax payment

Classification	⑩ Tax amount (including gains from exercise of stock option)	⑪ Tax amount (excluding gains from exercise of stock option)	⑫ Tax subject to special treatment in tax payment (⑩ - ⑪) × 4/5
Ⓐ Wage & salary (other) income			
Ⓑ Global income			
Ⓒ Income deduction			
Ⓓ Tax base			
Ⓔ Tax rate			
Ⓕ Tax calculated			
Ⓖ Tax reduced/exempted			
Ⓗ Tax credit			
Ⓖ Tax determined			

3 Computation of tax to be paid in installments

⑬ Taxable period	⑭ Tax subject to special treatment in tax payment	Payment amount				⑰ Balance (⑭ - ⑮ - ⑯ - ⑰ - ⑱)
		⑮ 1st yr	⑯ 2 nd yr	⑰ 3 rd yr	⑱ 4 th yr	

Instructions for Filling Out 22 Computation of Global Income Tax (for foreign workers subject to special taxation)

1. Fill out this form only if you are subject to the flat tax rate as prescribed by Article 18-2 (2) of the Restriction of Special Taxation Act.
2. ① Income classification code: Enter the applicable income classification code below (21-29) in numerical order:
 - Classification codes for wage and salary income:
 - (1) Wage and salary income subject to withholding tax according to Article 127 of the Income Tax Act (excluding wages and salary income received from the U.S. Armed Forces in Korea): 51
 - * In general, wage and salary income received for providing service in Korea falls under this category.
 - (2) Wages and salary income received from the U.S. Armed Forces in Korea: 52
 - (3) Wage and salary income received for providing service abroad: 53
 - (4) Wage and salary income of a member of a taxpayer association: 55
 - (5) Wage and salary income incurred from the exercise of stock option granted by the overseas headquarters or the parent company of a foreign-invested company: 56
 - (6) Wage and salary income not subject to withholding tax in accordance with Article 127 of the Income Tax Act: 57
 - * Wage and salary income received from a foreign organization, UN forces (excluding U.S. forces), or a foreigner or foreign company overseas (excluding wage and salary income received from a domestic branch, domestic business office or domestic place of business)
3. ② Serial no.: Enter a number starting from one and counting up for each income under each income classification code. If there are two or more income for each income code category, enter the total number of incomes in the category after the last line of the last box.
4. ③ Name of company and ④ Business (resident) registration number: Enter the company name (or name) and business registration number (or resident registration number) of the company or person paying wage and salary income. However, if you are an employee with wage and salary income incurred from the exercise of stock options granted by the overseas headquarters or parent company, write down the overseas headquarters that granted the stock option or the company name and business registration number of the domestic branch, liaison office or foreign-invested company of the parent company.
5. ⑤ Annual wage & salary income: Enter the total amount of wage & salary income (including non-taxable income) paid annually by each payer.
6. ⑥ Income tax withheld: Enter the amount of income tax withheld by the payer. Do not enter the local income tax as it is calculated in page 3.
7. ⑦ Tax base: Enter the sum of annual wage & salary income in ⑤.
8. ⑧ Tax rate: Enter the tax rate prescribed by Article 18-2 (2) of the Restriction of Special Taxation Act.
9. In ⑨ Tax calculated, enter the sum of ②③ Tax calculated and ③⑩ Tax prepaid on page 3.

22 Computation of Global Income Tax (for foreign workers subject to special taxation)

1. Statement of Wage & Salary Income

① Income classification code	② Serial number	Payer of income		⑤ Annual wage & salary income	⑥ Income tax withheld
		③ Name of company (individual)			
		④ Business (resident) registration number			

2. Computation of tax

⑦ Tax base	⑧ Tax rate	⑨ Tax calculated (⑦×⑧)
	19%	

● Computation of Determined Tax on Housing Rental Income Subject to Separate Taxation

1. Fill out this form if you have housing lease income separately taxed in accordance with the Income Tax Act
 - Classify by leased housings and tenants

2. ④ Whether housing is co-owned: If it is a co-owned rental housing, mark \checkmark at "Yes" and write down the profit and loss distribution ratio. If housing is owned by a single person, mark \checkmark at "No"

3. ⑥ Period meeting requirements for registered rental housing: Write down the period meeting all of the following requirements:
 - a. A public support private rental housing under Article 2 Subparagraph 4 of the Special Act on Private Rental Housing leased by a person who registered as a rental business entity under Article 5 of the same Act, a long-term rental housing under Subparagraph 5 of the same Article, or a short-term private rental housing under Subparagraph 6 of the same Act
 - b. A rental housing of business entities under Article 169 of the Income Tax Act
 - c. The period in which the rental deposit or rental fee's annual increase rate does not exceed 5/100 (applied where rental agreement was signed or renewed after rental business entity registration according to Article 5 of the Special Act on Private Rental Housing has been made)

4. ⑫ Income from monthly rent: Write down the sum of annual monthly rent income

5. ⑬ Amount of deposits calculated as income: Where three or more housings (housings of which the size used for residential purpose is less than 40m² per one unit of housing or one household and the price of which is 200 million won or less for the relevant taxable period shall be excluded) are owned and the amount of deposits, etc. of the relevant housings is over 300 million won, write down the amount in ⑮ Total amount calculated as income under "Statement of adjustment of total income amount from real estate (housing) lease deposit, etc. (3)" of Form no. 53 of the Enforcement Rule of the Income Tax Act.

6. ⑮ Necessary expenses: Write down 50/100 of the total income amount (60/100 of the total income amount if the requirements for registered rental housing are satisfied)
 - Where a registered rental housing is leased during part of the taxable period, calculate as monthly income. If the month to which the commencement date or last date of the rental period belongs is 15 days or longer, it shall be deemed as one month.

7. ⑯ Deduction amount: If the global income amount of the taxable period excluding housing lease income subject to separate taxation is 20 million won or less, 2 million won shall be deducted. If the global income amount of the relevant taxable period excluding housing lease income subject to separate taxation is 20 million won or less and the requirements for registered rental housing are satisfied, 4 million won shall be deducted.
 - If revenue was generated from registered rental housing and a non-registered rental housing during the taxable period, revenue from registered rental housing and income from non-registered rental housing shall be separately calculated as follows.

$$\left(\frac{\text{Revenue from registered rental housing}}{\text{Total revenue from rental housing}} \times \frac{4}{\text{million won}} \right) + \left(\frac{\text{Revenue from unregistered rental housing}}{\text{Total revenue from rental housing}} \times \frac{2}{\text{million won}} \right)$$

8. ⑳ Tax base for special rural development tax: Enter the amount in ㉑ Tax reduction/exemption.

● Computation of Determined Tax on Housing Rental Income Subject to Separate Taxation

1. Computation of determined tax on housing rental income subject to separate taxation

(Unit: m², won)

Classification		⑨ Total	Leased housing(1)	Leased housing(2)	Leased housing(3)
① No. of housings leased					
② housings leased	Location				
	Business code				
③ Size of building					
④ Whether housing is co-owned (profit and loss sharing ratio)			Yes[](%), No[]	Yes[](%), No[]	Yes[](%), No[]
⑤ Business registration no.					
⑥ Period meeting requirements for registered rental housing			~	~	~
Lessee	⑦ Name				
	⑧ Resident registration no.				
⑨ Leased period			~	~	~
Contract	⑩ Deposit				
	⑪ Monthly rent				
⑫ Income from monthly rent					
⑬ Amount of deposits, etc. calculated as income					
⑭ Total income=(⑫ + ⑬)					
⑮ Necessary expense					
⑯ Deduction amount					
⑰ Business income (Tax base)=(⑭-⑮-⑯)					
⑱ Tax rate		14%			
⑲ Computed tax=(⑰ × ⑱)					
⑳ Tax reduction/exemption					
㉑ Determined tax=(⑲ - ㉒)					

2. Calculation of special tax for rural development

(Unit: won)

㉒ Tax base		㉓ Tax rate	20%	㉔ Computed tax		㉕ Determined tax	
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