

# **AN ANALYSIS OF THE OPTIMAL INCOME TAXATION OF JAPANESE HIGH-INCOME EARNERS BASED ON TAX ADMINISTRATIVE DATA**

**SHIGEKI KUNIEDA**

## **ABSTRACT**

In this paper, we consider the optimal income taxation of Japanese high-income earners using micro tax data provided by National Tax Agency (NTA) for the first time in Japan. Using the tax administrative data provided by NTA, Kunieda (2025) estimate that Pareto coefficient of total income in Japan is about 1.45 in 2020. Miyazaki et al. (2025) also estimate elasticity of taxable income. Using these results in the optimal income tax model of Saez and Stantcheva (2017), we derive the optimal top marginal tax rates of capital income, labor income, and comprehensive income in Japan. In the actual Japanese tax system, the effective average tax rates increase with income until about 100 million Japanese yen but decrease beyond it. To lessen this regressivity, Japanese government introduce and enhance the superrich minimum tax. We analyze the effects of the superrich minimum income tax using micro tax data and find that the enhanced superrich minimum tax lessens the regressivity.

*Key words:* Japanese income tax, micro tax data, income distribution, superrich

*JEL classification:* D31, H24