

Sapporo Breweries Pays Retroactive Taxes

Kyodo News International, Tokyo

TOKYO (Kyodo) — Sapporo Holdings Ltd. said Friday it will pay additional tax of about 11.6 billion yen and book it as an extraordinary loss in the January to June period as its subsidiary Sapporo Breweries Ltd. will change the category of a beer-like product to a higher-taxed one.

As for its group net profit forecast of 5 billion yen for the full year through December, the holding company said it is still examining the impact of the additional tax payment.

Sapporo Breweries launched its Sapporo Goku Zero last June as "third category beer" but it decided to discontinue the product last month to release an updated version on July 15 as "sparkling liquor" after modifying the production method.

The move came after the company was requested by the National Tax Agency to provide information on the production method of Goku Zero to verify if its classification as lower-taxed third category beer is appropriate.

Sapporo says it is still examining the data requested by the agency but decided to voluntarily modify its tax declaration to minimize any additional financial burden in the future.

Sapporo Holdings will pay 10 billion yen by the end of June for the products shipped between June last year to April this year, 1 billion yen by the end of July for those shipped in May, and 500 million yen by the end of August for those shipped in June.

It is also planning to pay 100 million yen as delinquent tax.

The original Goku Zero proved popular among health-conscious people as it contained virtually no purine, which is said to cause gout. The new sparkling liquor version retains the zero purine property, according to Sapporo.

Source URL (retrieved on 03/06/2015 - 11:59pm):

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