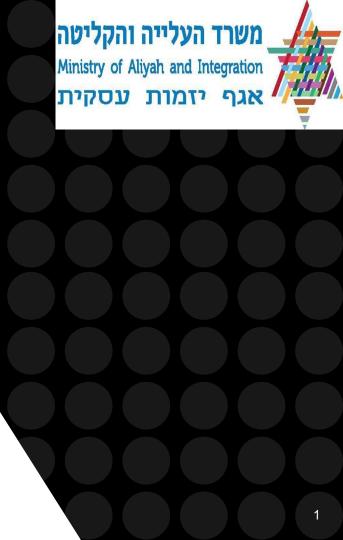


Taxation in Israel and tax benefits for Olim

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Things that will be discussed

- PRINCIPLES AND FACTS OF INDIVIDUAL TAXATION IN ISRAEL
- TAX BENEFITS FOR OLIM
- REAL ESTATE TAXATION
- BUSINESS TAXATION BENEFITS
- TAXATION ON TRUST



PRINCIPLES OF INDIVIDUAL TAXATION IN ISRAEL

- An Israeli resident is taxed on his income from all sources and from around the globes
- Without the tax reform for Olim...

what determines if you are an Israeli resident?

- #of days
- 'Center of life'

PRINCIPLES OF INDIVIDUAL TAXATION IN ISRAEL

Any income generated on Israeli soil is subject to Israeli taxation

TAX BENEFITS FOR OLIM

For the first 10 years after making Aliyah no reporting on income generated from outside of Israel or on assets that reside outside of Israel

TAX BENEFITS FOR OLIM

- If you work from your home office in Israel
- If you work some of your time from Israel and some from abroad

TAX BENEFITS FOR OLIM

- Extra tax credits tsrif eht rof
 4.5 years
- Deposit in the Israeli bank
- Investing in foreign shares through an Israeli bank
- Crypto
- Pension
- Adjustment year

PRINCIPLES OF INDIVIDUAL TAXATION IN ISRAEL

- No inheritance tax
- ReportinglearsI ni
- Bank transfers
- Tax treaty vs. internal tax law
- Certificate of residency from the ITA

Tax rates on individuals (active income)

- Individual tax rate on active income 47% -10%
 (evissergorp)
- additional tax on individual income -721 evoba)3% K NIS a year)

TAX RATES TABLE

Income range	RATE
84,120 - 0NIS	10%
120,720 - 84,121	14%
193,800 - 120,721	20%
269,280 - 193,801	31%
560,280 - 269,281	35%
721,560 - 560,281	47%
& 721,561up	50%

Tax rates on individuals (passive income)

Individual tax rate on
 passive income such as:
 Capital gain, dividends,
 interest(etar talf)25% ~ ...

TAX CREDITS

- RESIDENCY
- KIDS
- LIVING IN PERIPHERAL AREAS
- NEW ACADEMIC DEGREES
- Pension fund
- Education fund
- Life insurance (without health)
- Donations ph. 46
- NEW IMMIGRANTS

Taxation of real estate

- Purchase tax laer yub uoy nehW (ayilA gnikam retfa yuB) etatse
 tnediser ngieroF .sv tnediser ilearsI
- Rental income from residential property is tax free up to 5654 NIS a month => 10%
- Capital gain-ytreporp laitnediser no ylno ruoy si siht fi ylno tpmexe xat etatse laer laitnediser

Taxation of Trust

- creator
- trustee
- beneficiary
- assets
- if one of the above is in Israel you may need to report to the ITA

TAX BENEFITS FOR CERTAIN BUSINESS

- Corp tax rate = 23%
- Tax on dividend 30%/25%
- If you are manufacturing/ creating/ developing new technology/ product (!!ecivres/laicremmoc ton)
- peripheral areas/export.../
- 'beneficiary status'
- Corp tax rate in peripheral areas = 7.5%
- Corp tax rate in central areas = 16%/12%
- Tax on dividends = 4%/20%
- Double depreciation

Ways of communication with Business IL



- www.2binisrael.org.il
- www.moia.gov.il
- Calling from abroad 972-(24/7) 35117115
- Calling from Israel * 8115 (24/7)
- Mail: infobiz@li.ten.014