



BROIDE & CO.
Certified Public Accountants (Isr.)

TAX UPDATE - VIEWS ON RESIDENCE - from the Tax Authorities

The legal department of the tax authorities has recently indicated additional("new!") factors that they consider relevant in determining residence for tax purposes:

- Change of residence is not a one-time-act but rather a process developed over time.
- Where the taxpayer takes on a certain risk in changing status, such as setting up a new business overseas, this would strengthen the non-residence factor.
- The family unit will generally be treated together unless there is clear intention to live separately.
- Where change of residence is covered by Double Tax Treaty, the tax authorities will tend to accept the change.

These guidelines come in the wake of the Supreme Court ruling in the Gonen case (see information on residence on our website).

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