



BROIDE & CO.
Certified Public Accountants (Isr.)



- Where annual income (viz. gross proceeds) from sales of securities exceed NIS 2.5 million, there is an obligation to submit a personal tax return for 2017.
- The ITA has issued draft guidelines on the classification of rental income from apartments as passive or business income. These are based on recent court rulings, including by the Supreme Court. The guidelines include the “old” business tests including nature of assets, method of financing, length of time asset was held, expertise in the field, infrastructure, development and promotion and the overall circumstances (macro picture).
- However there is now the quantitative “test”, viz. number of apartments held. Thus the ITA has indicated that up to 5 apartments held would be viewed as of a non-business nature, 5-10 apartments held will be subject to the “old” tests above, and thereafter (more than 10), the assumption will be that such holdings are of a business nature and thus subject to regular (viz. higher) taxes and the 10% rate will not apply. Do note this is a draft and that the qualitative tests may outweigh the quantitative.
- Either way, do not ignore.
- It is now time to prepare and submit personal and corporate tax returns for 2017. [Click here](#) for our 2017 Personal Tax Return Checklist.

PURIM SAMEACH!

43a Emek Refaim St.
P.O. Box 8240
Jerusalem 91081
Tel. 972-2-5611323
Fax. 972-2-5669555

www.broide.com