



BROIDE & CO.  
Certified Public Accountants (Isr.)

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# 2019 PERSONAL INCOME TAX RETURN - CHECKLIST

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January-December 2019

With the Income Tax season now underway, herewith the firm's Income Tax checklist for 2019, which we request you follow closely and submit the relevant documents and information to us without delay.

We will be glad to clarify.

Sincerely,

Broide & Co.

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## A. Self-employed and Salaried Taxpayers

- Income and expenditure in receipts and disbursements Journal/computer printout to be properly prepared, including additions, calculations and reconciliations.
- Documentation - Files and copies of invoices/receipts.
- If on an accrual basis, prepare:
  1. list of inventory
  2. list of creditors
  3. list of debtors
  4. income receivable
  5. income in advance
- Income Tax advance payments (mikdamot) reports (booklets), Vat reports (booklets) and National Insurance advances (booklets) to be submitted to us.
- For the self-employed:

National Insurance annual certification for amounts received for 'miluim', childbirth, accidents, unemployment etc.
- For clients who pay salaries or deduct tax from suppliers:
  1. 102 reports
  2. 0126 salary reconciliation form (for 2018)
  3. 856 suppliers' reconciliation form (for 2018)
  4. National Insurance reports (monthly)
- For clients or spouses who are salaried, 106 salary forms (for year).
- Fixed (i.e. insurance, licence, etc.) motor vehicle expenses if not recorded in journal/computer.
- Any changes in personal status (incl. Children) or address.
- Details of home expenses where home is used for business/practice.
- Foreign travel reports (detailed) and documents.
- Details of expenditure on business gifts and entertainment.
- Certificates:
  1. showing tax deducted at source by clients (nikui mas bamakor)
  2. for life insurance
  3. pension or provident contributions
  4. National Insurance (located in the first few pages of the current annual Bituach Leumi booklet)
  5. Training Fund contributions (Keren Hishtalmut) for self-employed
  6. payment into various funds on behalf of employees, e.g. pension, provident (Bituach Menahalim), severance and training funds
- Original charity receipts (recognised for tax purposes).
- Details of bank accounts.
- Details of gifts, inheritances, distributions from trusts or any other transfers received.

## B. Taxpayers\* - Who report on foreign/local investment (passive) income

- Details, including documentation, of income from interest and dividends from local banks, companies and bonds (including details of any taxes paid, including 'ishur mas bamakor' from banks for dividends, interest and capital gains. (Forms 867, 867 Aleph, 867 Bet, 867 Gimmel)
- Details, including documentation, of income from interest and dividends from foreign banks, companies and bonds (including details of any taxes paid).
- Details of sales of traded bonds and equities, including gains or losses, both local and foreign (including details of any taxes paid). Similarly, of any other equities or other assets bought or sold during the period (with documentation).
- Details of rental income and expenses from local or foreign properties, including taxes paid (foreign and local); indicate whether usage is residential or commercial.
- Details, including full report, of income and expenses from foreign businesses or practice.
- Details of local or foreign pensions received.
- Details of any other income or gains.
- Details of gifts, inheritances, distributions from trusts or any other transfers received.
- All items above to be accompanied by proper documentation.
- Details of foreign trusts/foundations/corporate entities/LLC's and LLP's in which taxpayer is a settlor/grantor/beneficiary or shareholder or partner (including documentation).
- Copy of foreign financial and/or Income Tax reports submitted for 2019.
- Details of expenses incurred in producing the income indicated above, including professional services, consulting fees, legal costs, management fees and foreign travel, if relevant.
- Original receipts for charitable contributions made in Israel; details of foreign charitable contributions.
- Letters from foreign accountant confirming foreign taxes paid on the above income; similarly, may be required for foreign pensions and/or retirement plans and foreign charitable contributions.

\* Applicable also to 'children' over the age of 18. Income of minor children (under age of 18) must be included in parents' reports.

## C. General

- Tax credit points for children with learning disabilities:
  1. Form 127 – Medical certificate
  2. Certificate from Educational Committee (Vaad Hasamah) that child\pupil is in a special school or educational frame work (07).
  3. Letter from school confirming that child is learning in a special school or educational framework.
  
- Challenged parents\children:
  1. Form 127 – Medical certificate
  2. Recognition from institution re disability
  3. Receipts for payments
  
- Tax credits for completing first, second and third degrees – Certificate from academic institution of completion of degree.
  
- Information on holdings in local or foreign companies.
  
- Details of any tax opinions obtained from professionals
  
- Details of any trusts in which you are a grantor\settlor or beneficiary (including documentation and reports).
  
- Any other matters relevant to the tax report