

### Quote of The Day

“Money never made a man happy yet, nor will it. The more a man has, the more he wants. Instead of filling a vacuum, it makes one.”

~ Benjamin Franklin

“Believe you can and you’re halfway there.”

~ Theodore Roosevelt

### The Tax Season is Now Underway



#### **2017 Personal income tax return checklist**

With the Income Tax season now underway, [Click Here](#) for the firm’s Income Tax checklist for 2017, which we request you follow closely and submit the relevant documents and information to us without delay.

### **Planning for the end of the tax holiday**

New or returning residents who started the 10-year tax exemption period in 2008 should already be doing serious tax planning for the post tax holiday period.

Similarly the “2007 people” may already be required to submit tax reports.

### **New Restrictions on Cash Transactions – Brief Summary**

The Knesset recently approved new laws governing the use of cash for transactions; the new limitations may not exceed certain amounts as hereunder:

- Where recipient or payer is a business (osek) – NIS 11,000
- A private (viz. non-business) transaction - up to NIS 50,000
- Where one of the parties is a tourist –NIS 55,000
- Single gifts made or received – not exceeding NIS 11,000
- The NIS 11,000 cash limitation applies to services provided by lawyers and CPA’s
- Excluded from these restrictions are payments between family members (not applicable to salaries).
- In addition, endorsed checks may not be accepted where the payee or recipient is a business, unless full details of the endorser are indicated on the check. Similar provisions will apply to private transactions where the amount on the check exceeds NIS 5,000.

The above is an annotated version of these new laws, it is recommended to refer to the official version before acting thereon.

### **Receipts for Donations\Contributions – Less cumbersome approach by the ITA**

Subject to charitable contributions being made to recognized charities in Israel (viz. sec. 46), the ITA will accept electronic receipts where these are clearly indicated as electronic (computerized) and include full details of the donor. Such receipts are not required to indicate that they are originals.

Charitable organizations are required to comply with the special provisions relating to computerized accounting records before issuing the receipts.

This is a significant change in ITA policy.

### **Reporting on Foreign Income & Assets**

We have always counseled compliance with the laws in general, and the tax laws in particular. Our approach is based on operating strictly within the law, while utilising any 'loopholes' or tax-planning opportunities.

We once again reiterate the importance of complying with the Law, and strongly counsel proper registration and reporting (voluntary disclosure in certain instances) to the Tax Authority, in order to preempt any demands or legal action.

### **Time for Mid-Year Reviews**

This is an opportune time for mid-year business, financial and tax reviews. Please avail yourselves of this essential service. Kindly ensure we receive accounting and related data timeously.



A mighty mazeltov to our very dear and special senior accountant, Ephraim (Frank), on his 70<sup>th</sup>! A wonderful guy to clients and staff alike!

### **THE TAX SEASON IS UPON US**

- The law requires submission of an income tax return where an Israeli resident transfers more than NIS 500,000 overseas during the fiscal year.
- An Israeli resident beneficiary of a trust where the trust assets amount to NIS 500,000 or more is obligated to submit an annual income tax return unless such beneficiary is under 25 years of age or was unaware of being a beneficiary of the trust.
- An individual who satisfies the 'days test\*' (quantitative) of residence but holds that he/she is not resident in Israel, has to submit a tax report, including details explaining the contention of non-residence – with documentation – and report on Israeli Income.  
**\* 183 days in the tax year or 425 days over a 3 year period.**
- With the Income Tax season now in full swing, it is time to submit the relevant documents and information to us without delay.
- Trusts generally assume the tax status of the grantor or settlor and, thus, may also enjoy new resident benefits (See website on taxation of trusts.) Beneficiaries may be subject to tax on trusts established from August 1<sup>st</sup>, 2013, unless they are within the "10-year tax holiday", or where the Settlor\Grantor became a resident from August 2013