

Unreported assets? Voluntary tax disclosure program lets you come clean

2-year program allows tax-evaders, including immigrants, to avoid criminal charges while boosting tax revenues, expert says

By SHOSHANNA SOLOMON

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Illustrative image of a person doing taxes (Credit: wutwhanfoto, iStock by Getty Images)

A [Voluntary Tax Disclosure Program](#) that began in December 2017 and will run till the end of 2019 will allow taxpayers who have overlooked their tax reporting — unwittingly or intentionally — to come clean and pay off what they owe.



In exchange, the Israel Tax Authority (ITA), with the approval of the State Attorney, will not recommend criminal prosecution against these delinquent taxpayers.

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“Individuals who hold foreign assets, or local, on which income was not disclosed to the ITA and taxes paid thereon, may now do so in order to avoid criminal proceedings in the future,” said Jeff Broide, a CPA in Israel at Jerusalem-based accountants Broide & Co. in Jerusalem, which specializes in Israeli taxation with a focus of immigrants from English-speaking nations.



Jeff Broide is a CPA at accountants Broide & Co. in Jerusalem (Courtesy)

“The amnesty procedure is aimed at the broad spectrum of people in the population, including immigrants, be they new, intermediate, or veteran,” he said in an interview with The Times of Israel. “Thus, veteran *olim* [immigrants to Israel] may have unreported foreign assets and investments” that they may want to report now. The amnesty also applies to non-reporting of local assets and income, he said.

The significance of the initiative, he said, is “to avoid the risk of criminal proceedings and severe penalties for non-reporting and non-payment of taxes due. This is really an opportunity to set things right.”

Broide said he strongly recommends taking advantage of the Voluntary Disclosure program.

“This is really an opportunity that may not be repeated... and given the new world we live in — of technology, communications, cooperation, and exchange of information across the globe, this is the time, and this is the place.”

Tax authorities see voluntary disclosure programs as an opportunity to enable tax shirkers to become law-abiding citizens and at the same time boost the state’s tax revenues through higher tax collections. Israel launched similar programs in 2011–2013 and 2014–2016 which were relatively successful, Broide said, resulting in disclosures by approximately 10,000 taxpayers and increasing Treasury coffers “substantially.”

“Incidentally, each new program has been less attractive for taxpayers than its predecessor,” he said.

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