

**Entitlement to Income Tax Credit Points
for Children with Learning Disabilities**

Dear Client,

The Income Tax authorities issued a guideline (dated September 7, 2003), under Section 45 of the Income Tax Ordinance (Tax Credits for Disability), dealing with children diagnosed with learning disabilities - attention or concentration - or hyperactivity (ADD or ADHD). Hereunder an updated overview:

Applications for tax credits require:

1. Approval (referral) by the Special Committee set up under the Special Education Law of 1988 (Va'ad Hasamah);
2. Written confirmation that the child's study is within the special education framework (from 9th grade - the "07" track) from the school he/she is studying in.
3. Certificate of Health (Teudah Refuit No. 127) signed by a psychologist or neurologist, detailing the learning disability.

If approved by the Tax inspector, the taxpayer will be entitled to two Tax credits for each child with learning disabilities - as above; the value of a Tax credit in 2010 is NIS 2,460 (2009 - NIS 2,364).

Clients are requested to forward these documents to our office, together with their 2009 tax return material. If not claimed for previous years, these can be submitted, and the tax return amended accordingly; if you have not submitted a tax return at all, this will necessitate submission of tax returns for previous years.

In relation to current and future years, application may also be made for a 'tax adjustment' for salaried taxpayers, and the Income Tax payable will be reduced accordingly. (Do note that this is based on the 2003 Guideline and clarifications received from the Income Tax authorities).

We shall be glad to assist.

Sincerely,

The Broide Team

Nissan 5770
April 2010