

Quotes of The Day

“Twenty years from now you will be more disappointed by the things that you didn’t do than by the ones you did do” -*Mark Twain*

“I’m a great believer in luck, and I find the harder I work the more I have of it” – *Thomas Jefferson*

“Success is walking from failure to failure with no loss of enthusiasm” – *Winston Churchill*

Broide and Co. in the media

Jeff Broide on IBA News on the subject of Voluntary Tax Disclosure and related matters: [Click Here](#)

Gidon Broide as featured in Bloomberg BNA’s Newsletter on taxation of US Trusts with Israeli beneficiaries: [Click Here](#)

Taxation of Trusts in Israel

[Click Here](#)

Income tax Guidelines for new immigrants/new residents/returning residents

[Click here](#)

YEAR-END TAX TIPS

SOME TAX-REDUCING THOUGHTS - STILL FOR 2016

Review inventory closely with a view particularly for dead/obsolete items – will reduce closing inventory and taxable income.

Check your 2015 asset and depreciation schedules for items no longer in use or obsolete: these may be fully depreciated in 2016 if the above applies.

Capital gains may be reduced by realized capital losses; assets/investments that reflect paper losses, and are unlikely to rise in value in the very near future, may be suitable candidates for review.

Capital losses on securities arising in 2016 may be offset with income from dividends and interest on securities received in 2016. This includes dividends from private companies.

Recognition for charitable contributions requires Section 46 approval, and must be made (and received) before Dec. 31. Give close attention to expenses that may be deductible – business and investment.

Review dividend strategy where relevant.

WHO IS A TAX RESIDENT OF ISRAEL– DEFINING RESIDENCE

There are substantial clauses covering individuals. The law seeks to define an individual as a resident where the focus of his or her life is in Israel. To this end, close attention will be given to family, economic and social circumstances; these will include:

- ❖ Place of permanent home, even if used temporarily by someone else.
- ❖ Place of residence of the individual and the members of his or her family.
- ❖ The location of regular business dealings, place of fixed employment and location of assets and investments;
- ❖ Memberships of clubs, organizations and associations;
- ❖ Periods of time

If an individual spent at least 183 days in the tax year in Israel, this would appear to indicate that the focus of his or her life during the tax year was in Israel.

Tax Alert:

New residents who started the 10-year tax exemption in 2007 and their 10 years come to an end in 2017 should already in 2016 be considering the impact of the cessation of the exemption
– Tax Planning



We want to wish all of our Clients, Associates, and Friends a very Healthy, Happy, Prosperous, and Fulfilling New Year.



CHAG SAMEACH!

Confidentiality

All matters handled by the firm are treated with strict confidentiality, and in accordance with the highest ethical standards, as stipulated in the accounting profession's Code of Ethical Behaviour.

Alternatively, where a period of at least 30 days was spent in Israel during the fiscal year, and during the period of that tax year and the two previous ones such person spent at least 425 days in Israel, this too will be considered an indication that such person is a resident of Israel (for tax purposes). The above are not conclusive, and may be contested by both the taxpayer and the assessing officer.

THE PERIOD FOR SUBMISSION OF APPLICATIONS UNDER THE INCOME TAX VOLUNTARY DISCLOSURE PROGRAM, ENDS DECEMBER 31ST, 2016

Applications under the current Voluntary Disclosure Program (for income not reported previously in Israel) may be submitted until 31 December 2016.

We would remind you of the various routes that are available under the program:

1. Full disclosure route – the name of the applicant and full detail of the assets from which the previously undisclosed income was received is disclosed to the ITA.
2. Anonymous route – full amount of the previously undisclosed income is disclosed but name of the applicant and details of assets are not disclosed.
3. Short route – where the amount of assets and income is below the qualifying levels. Applications under this route may not be anonymous.

Further important details:

- ❖ Provides immunity from criminal proceedings. Information included in rejected applications will also enjoy immunity (criminal and civil). Application must include disclosure of all relevant information and must be done in good faith.
- ❖ Interest, linkage and possible penalties will be added to the amount of taxes payable.
- ❖ Amnesty will not apply (usually):
 - Where the ITA or other government agency has specific information or has initiated investigation procedures.
 - When income is from illegal activities.

We are available to assist with applications for voluntary disclosure and clarifications.