



Quotes of The Day

“Nothing lowers the level of conversation more than raising the voice”

– Stanley Horowitz

“Tact is the knack of making a point without making an enemy”

– Sir Isaac Newton

Important points on Israel's 10-Year "Tax Haven" for New Immigrants



YEAR – END TAX TIPS

[Click Here](#) for some tax-reducing thoughts for 2020

Planning for the end of the tax holiday

New or returning residents who started the 10-year tax exemption period in 2010, 2011 or 2012 should already be doing serious tax planning for the post tax holiday period. Similarly the “2007 to 2009 people” may already be required to submit tax reports.

All You Want to Know About and Were Afraid to Ask

We really are happy to answer queries, provide clarifications and handle problems, many of which can be dealt with telephonically, so please feel free to call us.

The Tax Season is Now!
Income tax reports are due for submission now!

Corona Grants Update



- ❖ The initial 2 rounds of “corona” grants as well as round 3 for small businesses have now expired – Round 2 and 3 (small businesses) expired on August 17th.
- ❖ All eligible businesses: small, medium and large can now apply for the “participation in permanent expenses” grants, on a bi-monthly basis for the periods May-June; July-August etc ongoing until June 2021. Businesses will need to prove at least a 40% decrease in turnover for each 2-month period as compared to the parallel period in 2019, in order to be eligible. For the period September-October, however, a 25% decrease will suffice due to the current lockdown measures in place.
- ❖ Round 4 is the round that provides incentives for employers to rehire staff who were previously put on “Chalat”\unpaid leave during March-April of this year. Employers also get benefits for hiring new staff, not previously employed in the business. Unfortunately, due to the current lockdown, many staff rehired during May-August went back on “Chalat” in September. It remains to be seen what changes will be made after the current lockdown ends.
- ❖ As far as employees who remain on unpaid leave are concerned, the government has extended their unemployment benefits to June 2021.
- ❖ Employees over the age of 67 who have been put on “Chalat” and who receive a pension of less than NIS 5,000 per month may apply for a “Histaglut” grant through Bituach Leumi. This will provide a grant of 2,000-4,000 NIS monthly until June 2021.

Latest Webinars



Here are the links to watch the recordings of our latest and highly successful webinars:

- [Webinar for South Africans Planning Aliya or Already Living in Israel](#)
- [Planning the end of the 10 year tax holiday & economic impact of COVID 19](#)
- [Trust, Estate and Investment considerations for clients with a U.S.-Israeli connection](#)
- [Select Tax and Investment Issues Applicable to New & Prospective Olim](#)
- [U.S.-Israel tax, estate and investment review for Olim \(Nefesh BNefesh\)](#)

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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.
- If an individual spends 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. 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.

Keshet Donor Advised Fund

We draw attention to this new donor-advised fund in Israel which may be of interest, particularly to clients who have contributed through such funds abroad.

What is a DAF?

1. The donor makes an irrevocable contribution of personal assets (cash, stock, real estate, etc.)
2. The donor receives the maximum tax benefit allowed by the tax authorities in Israel on the entire sum deposited, in the year the contribution was made
3. The donor decides on decision-makers, beneficiaries and advisors to the DAF, as well as recommendations for grants at present and in the future
4. The donation funds are managed by investment houses according to approved criteria, and returns are fully tax exempt

For more info: <https://keshet-il.org/en/>

