



BROIDE & CO.
Certified Public Accountants (Isr.)



THE NEW MULTI-APARTMENT TAX -HIGHLIGHTS ONLY

- ❖ New law effective 2017
- ❖ Applies to individuals owning apartments in Israel - % ownership of 249% or more (2+apartments)
- ❖ Apartment = completed unit and intended for residential use.
- ❖ Tax calculation proportionate to changes in ownership during the year.
- ❖ Where the second and third apartments – excluding the first of higher value – have very low values, the taxes will be reduced.
- ❖ The tax is calculated at 1% of the value of the apartment and will not exceed NIS 18,000 per apartment.
- ❖ Individual owners include equity owners in private company holding residential property; an individual and spouse/partner are treated as an “individual” under this law unless living permanently separated.
- ❖ Exclusions from the definition of apartment include:
 - An apartment legally split into a number of units.
 - A number of apartments that have been combined into one unit.
 - An apartment acquired by inheritance and not rented out during the first year after the death of the deceased – only in the 12 months following inheritance.
 - Numerous others not detailed here.
- ❖ A declaration of apartments is to be submitted by March 31st, 2017 (tax form) and tax payments made by June 30th and December 31st. (2 payments)
- ❖ Certain tax benefits/reductions are available on sale of apartments during the period Jan 1st – October 1st, 2017.

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This tax alert is prepared for the information of clients and associates. Whilst every care has been taken in compilation, no responsibility can be accepted for inaccuracies or errors. Clients are also advised that changes in the Law or practice occur periodically; it is recommended that specific professional advice be sought before any action is taken

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