



Quotes of The Day

"The problem is not that there are problems. The problem is expecting otherwise and thinking that having problems is a problem."

(Theodore Rubin)

"The real measure of your worth is how much you'd be worth if you lost all your money."

(Unknown)

Tax News

- The special Income Tax Amnesty provisions (viz anonymous or "short route") terminate on September 5th, 2015 – time is running out.
- As of the 2013 tax year, recipients of distributions from trusts are required to report thereon, even where not taxable. This applies, in our opinion, to distributions made from August 1st, 2013. This may necessitate amendments to 2013 Income Tax Returns.

Staff News

- After many decades with our firm, we sadly bid farewell to Hyla Bleich who has been such a wonderful and invaluable member of our 'team' (the veteran!), always loyal, professional and client oriented. We wish her success and health in all her endeavors.
- We are pleased to welcome Aviella Trapido to the 'team' (administration) and look forward to working together. Bruchah Haba'ah, Aviella!

Will & Estate Planning

Since this topic is not accorded the attention it deserves, may we once again stress the importance, in planning your personal affairs, of periodic review of your last Will and Testament, and giving thought to the manner in which you have planned your investments, life insurance and cash resources, bearing in mind the needs of your family.

Submission of Personal Income Tax Returns for 2014

Time is running out for clients who have yet to provide us with material and data to facilitate completion and submission of personal Tax returns. Do treat this matter seriously.

Proper Tax Planning

The issue of protection against criminal proceedings in the wake of tax planning which the tax authorities dispute, has been the subject of a number of Court cases in recent years. A rather definitive ruling by the Judge in the *Prumedico* case clarifies the matter; the Court held that, in order to base the defense on a professional opinion in criminal proceedings, such opinion must be provided by an authoritative source, after full disclosure of the facts to such consultant; in addition, the opinion must be reasonable, sound and professional.

These are matters of the utmost importance in tax planning. Furthermore, full disclosure of the facts in the annual tax reports may be considered *prima facie* evidence of good intent. Certainly, these are issues that require appropriate professional guidance.

Look to the Experts for Advice

It is unclear whether the reluctance to consult with experts and take advice is of Eastern-European origin, a Levantine tradition, or based on a know-it-all approach. However we can but suggest to clients that this is the time to sit down with your marketing specialists, talk to your business advisors, take council with your financial wizards, review legal matters with your lawyers, examine insurance cover with your insurance consultants, and thereafter do some very intensive thinking and planning for the forthcoming year. We live in a highly specialized world, something which many of us do not accord the importance merited.

Healthy Bodies and Healthy Minds – Reminder!

Ah, those old wise cliché's! Now since when is the clients' state of health a matter to be reviewed with accountants? Well, we never did regard ourselves as just another firm of CPA's! Furthermore, there just seem to be too many clients who may take good care of their businesses or practices, but not of themselves. So here we are to encourage exercise, relaxation (and vacations), correct eating habits and lots of common sense.

This is meant seriously!

Our Pre-Chag Checklist:

1. Innovative ideas recently introduced.
2. Cash-flow prepared through December 31st.
3. Expenditure budget closely reviewed through December 31st.
4. Marketing plan updated for next half-year.
5. Costing mechanism re-examined.
6. Direction and trends of business or practice re-evaluated.
7. Have you dealt seriously with this checklist?

Claiming Deduction of Expenses & Tax Credits

- If expenses are incurred in producing income, including passive income, claim deductions thereof.
- Such expenses may include – with the emphasis on "may":
 - ❖ Portfolio management and admin fees
 - ❖ Bank charges
 - ❖ Foreign travel
 - ❖ Professional services
 - ❖ Communications
 - ❖ Other

(Some of the above may be relevant in calculating capital gains/losses)

- Tax Credits may be claimed on local charitable contributions, provided the latter are properly approved. (carry forward up to three years)
- Foreign taxes paid on foreign income may be offset with taxes due, generally on a proportionate basis to the income comprising the "basket".
- Consideration should be given to local/foreign business expenses incurred which relate to a foreign business or practice and not necessarily detailed in the foreign income tax statement.

Do you have questions regarding the Income Tax Amnesty? Then check out Jeff's latest Radio interview on the Gelt Show with Douglas Goldstein (Israel National Radio). Go to: <http://youtu.be/blxQ5y4SICI>

We would like to take this opportunity to wish all clients and associates a Chag Pesach Kasher V'Sameach!

