

### Quotes of The Day

**“We don’t grow when things are easy, we grow when we face challenges.”**

*Joyce Meyer*

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

*Thomas Jefferson*

### WE HAVE MOVED



**We look forward to welcoming you at our new address: Yad Harutzim 3, 3<sup>rd</sup> floor Talpiyot (corner Rivka and Yad Harutzim) Jerusalem.**

Meetings are conditional on all participants being fully vaccinated (triple), otherwise Zoom.

### Upcoming Webinar



Here’s the opportunity to ask those burning tax questions and let our partners Jeff & Gidon clarify or provide possible solutions.

This unique CLIENTS' webinar will take place on the 10<sup>th</sup> of November at 5PM Israeli time.

To register, click [here](#).



### YEAR-END TAX TIPS Some Tax-Reducing Thoughts for 2021

- 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 cautious review. (Consult your investment professionals!)
- Capital losses on securities arising in 2021 may be offset against income from dividends and interest on securities received in 2021. This includes dividends from private companies. Do examine this closely.
- Recognition for charitable contributions requires Section 46 approval, and must be made (and receipted) before December 31.
- Give close attention to expenses that may be deductible –business and investment (incurred January –December 2021).
- Residential rental income – on cash basis (reportable).

### Too Busy to Change?

Stop what you're doing for a minute and think – really stop!



Are you doing whatever it is because it's always been done that way, because it's policy, because it keeps you busy . . .? Now, more than ever before, the time has come to question **what** we do, **why** we do it, and also **how** we do it.



### The Tax Season is Now!

With the income tax season well underway, (even winding down) we strongly suggest you submit the relevant documents and information to us for 2020 without delay. [\[2020 checklist\]](#)

### Webinar : U.S.-Israel Dual Taxation: Treaty Benefits, Taxation of Real Estate Transactions, Pensions and Social Security

Listen to Harold Katz and Gidon Broide explain the taxation of different income streams, allowable tax deductions, and treaty benefits available to lessen the tax burden for taxpayers liable for tax in both countries.

To register , [click here](#)

*There is a cost to attend, however we have a limited number of complimentary registrations available for clients and colleagues. If you are interested, please contact [nechama@broide.com](mailto:nechama@broide.com)*

### **SOME OF THE PROPOSED BUDGET TAX CHANGES** **(proposed, neither finalized nor approved)**

1. Companies to report on accrual basis – not cash
  - ❖ Unless turnover less than NIS 10m.
  - ❖ Companies providing professional services excluded but subject to the shareholders actually working in the company.
2. Individuals and companies may switch to accrual basis
  - ❖ Unless specifically excluded.
  - ❖ Differences on the switch-over may be reportable (and taxable) over 3 years.
  - ❖ Submission of tax reports to the ITA on income from rental (property) – even when exempt.
  - ❖ Submission of tax reports by anyone who held “virtual” currencies at any time during the tax year (including children) where the value held is NIS 200,000 or more.
  - ❖ Banks, financial institutions, suppliers of credit, clearing houses, businesses providing digital transfer services or currency conversion will be obligated to provide on-line information on clients to the ITA, including information on regular bank accounts, savings plans, mutual funds, deposits, foreign currency and such like. It should be noted that such provision of information is already required in accordance with international agreements for exchange of information.

Do note that the above are proposals – yet to be finalized and approved by the Knesset.

### **THE TAX SEASON IS UPON US**

- The law requires submission of an income tax return where an Israeli resident transfers more than NIS 500,000 overseas during the fiscal year.
- An Israeli resident beneficiary of a trust where the trust assets amount to NIS 500,000 or more is obligated to submit an annual income tax return unless such beneficiary is under 25 years of age or was unaware of being a beneficiary of the trust.
- An individual who satisfies the ‘days test\*’ (quantitative) of residence but holds that he/she is not resident in Israel, has to submit a tax report, including details explaining the contention of non-residence – with documentation – and report on Israeli Income.
  - \* 183 days in the tax year or 425 days (accumulated) over a 3 year period.