



BROIDE & CO.
Certified Public Accountants (Isr.)

TAX MATTERS

We wish to draw your attention to the following pertinent tax matters:

1. Income Tax debts, for a particular tax year, bear linkage and interest for the tax year reported, as of January 1st in the year following. If you wish to avoid or reduce such interest, then interim payments may be made to the Income Tax Offices during the year. Where tax debts for the previous tax year are paid by the end of January-in the year following-no interest nor linkage will be charged; if settled by the end of February, only 50% will be paid; and where paid by the end of March, then 75% will be payable.
2. Recognition of charitable contributions--in order to enjoy the income tax credit--often encounters bureaucratic obstacles. Do ensure that receipts are originals and have Section 46 approval (printed and actual). It is advisable that the contributions be made from the bank account of the donor. Contributions exceeding the upper ceiling may be carried forward for use within the following three years.
3. Retain details and documents pertaining to investment-related expenses so that these may be deducted; these include overseas travel, professional fees, communication expenses, portfolio and asset management fees, and other similar-type expenses.
4. The news with the taxation of trusts is that there is *no news* (hot off the press). The amendments have yet to be "amended" and the forms to be issued. This does not, however, impact on the taxability of trusts which became effective in January this year.
5. Bituach Leumi (National Insurance) may be payable on property income if greater than earned income; exceptions include taxpayers over the age of 70 or who "made aliya" over the age of 60. Treat with care.
6. Certain countries have onerous estate taxes; do consult with your foreign professionals.

We will be glad to discuss these and other matters and plan accordingly.

Jeff
Tel:02-561 1323
www.broide.com