



רחל לבקוביץ | רו"ח
Ruchi Levkowitz | CPA

ISRAELI INCOME TAX UPDATE FOR YEAR 2016 (2015 Tax Year)

In light of the recent Israeli tax legislation and with the commencement of the 2015 tax year, many of our clients may require Israeli tax services during the year. To assist with overall tax planning and compliance, we have a network of tax professionals and lawyers that assist us in this capacity. Among the services provided are:

1. New or Current Businesses for self-employed ("Atzmai"), corporations, and non-profit organizations ("Amutot"):
 - a) Assistance in opening files with V.A.T. and the Israeli income tax authority
 - b) Opening up files with Israeli Income Tax Authority ("Mas Hachnassah")
 - c) Opening up files with National Insurance ("Bituach Leumi")
2. Filing Israeli income tax returns:
 - a) Individuals – including calculation of tax for self-employed individuals and filing for refunds based on charitable deductions
 - b) Corporations – including full bookkeeping, write-up, and audit
 - c) Non-profit organizations – including bookkeeping, write-up and audit
3. Representation before the Israeli Income Tax Authority, V.A.T., and Bituach Leumi in cases of audit or correspondence received.

Israeli Tax Tidbits

1. Payments made to the Israeli Tax Authority before January 31, 2016 for taxes incurred in 2015 will be exempt from linkage and interest. If you think that you may owe tax you are welcome to send your information to Ruchi (ruchi@taxrl.com) who can assist you in calculating an amount for an estimated payment.
2. To help reduce your overall Israeli tax burden you can make contributions before December 31, 2015 to your retirement funds. Depending on your gross income, there is a maximum amount that you can benefit from when you contribute to your Kupon Gemel or Keren Hishtalmut. If you would like an exact calculation based on your own numbers please contact Ruchi at 073-796-4487.
3. A tax credit of 35% of your charitable donations against your overall Israeli income tax liability is available provided you have contributed more than 180 shekels and that the charities are authorized under section 46(A) of the income tax ordinance. There is a maximum contribution allowed which is either 30% of taxable income or 9,130,000 shekels.

For your convenience the 2015 tax rates are listed below.

Marginal Tax Bracket	Total income	Total taxes
10%	63,240	6,324
14%	108,000	12,590
21%	167,880	25,165
31%	239,760	47,448
34%	501,480	136,433
48%	999,999,999	