

TAX PLANNING IDEAS

- Update us on your 2010 forecast - this may facilitate reduced interim payments (mikdamot) for Income Tax and Bituach Leumi. Ensure you've received withholding tax certificates - as low as is reasonable.
- Optimise (don't increase!) expenses/deductions - these include:
Local and foreign travel * Gifts * Entertainment * Advertising * Depreciation (on assets) * Finance Charges * Professional Fees * Management Charges (investments) * Various others (incl. inventory valuation in these times) - all within the legal parameters.
- Review entity structure re tax (and cost) efficiency (corporate, individual, partnership, trust, foreign).
- Help us expedite your 2009 Income Tax return, particularly where there is an expectation of an Income Tax and/or Bituach Leumi refund.
- Consider options available for taxation of income from rental on residential property (see website). (May also reduce Bituach Leumi payable.)
- Review dividend strategy and salaries of directors/shareholders.
- Salaried Taxpayers - who are not legally obligated to submit tax returns - should evaluate possibility of claiming certain additional expenses and tax credits, not included in the payroll calculations.



- New and returning residents (including the "not-so-new") should monitor closely their legal status (tax) so as to utilise any tax benefits available under the Income Tax Ordinance, including - but not limited to - the tax reforms (relating to new and returning residents) of 2002 and 2008.
- Accounting system should be examined as to optimisation for tax efficiency.
- Plan contributions (donations) to charitable organisations so as to maximise tax benefits.
- Give thought to possible set-off of capital losses on securities against

dividend and interest income on securities (in same year).

[This is for clients only.]

These tips have been prepared for information purposes only. Whilst every care has been taken in compilation, no responsibility can be accepted for inaccuracies or errors. Changes in the Law or practice occur periodically; it is recommended that specific professional advice be sought before any action is taken.

Adar 5770
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