



BROIDE & CO.
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TAX BREAKS ON SALE OF RESIDENTIAL PROPERTIES

New proposed legislation to encourage the sale of residential property:

1. Sale of land slated for at least ten residential units, and acquired between April 1, 1961 and November 6, 2011, will be subject to limited Capital Gains Tax of 20%, subject to various conditions.
2. The exemption from Capital Gains Tax (Mas Shevach) on the sale of residential homes has been extended to include up to two additional homes sold during the period January 1, 2011 through December 31, 2012. Here too, there are various conditions, which include a maximum sales price per home of NIS 3,000,000. Any amount in excess of this will be taxed proportionately. This extension will not impact on the existing exemption.
3. The Purchase Tax (Mas Rechisha) on a second (or more) home is to be increased to 6-7%, depending on the value of the property.

Do note that these are still proposals, but merit close consideration in business and tax planning.

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