

SHEKEL

The Broide & Co. Newsletter



Quotes of the Day

*Believe you can and you're
halfway there.*

Theodore Roosevelt

*Do not go where the path
may lead, go instead where
there is no path and leave a
trail.*

Ralph Waldo Emerson

In This Edition

- Tax season is now
- Planning for the end of the 10-year tax holiday
- NEW Doing Business in Israel booklet
- Updated Trust Tax Brochure
- Tax planning for year-end
- New tax regulations for small businesses
- Compulsory pension for the self-employed



In these very challenging times we embrace you all. Am Yisrael, as always, will stand strong, overcome all obstacles, and move on to even greater accomplishments.
Chazak V'Ematz



As a result of the situation, The Israel Tax Authority has postponed tax reporting and payment dates. Please check with us for details.

Tax Season is Now

Income tax reports are due for submission now.

Planning for the end of the tax holiday

New or returning residents who started the 10-year tax exemption period in 2013 or 2014 should already be doing serious tax planning for the post tax holiday period. Similarly the "2011 & 2012 people" may already be required to submit tax reports.

YEAR-END TAX TIPS

Some tax-reducing thoughts - Still for 2023

- Check your 2022 asset & depreciation schedules for items no longer in use or obsolete: these may be fully depreciated in 2023 if the above applies.
- 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 review.
- Capital losses on securities arising in 2023 may be offset with income from dividends and interest on securities received in 2023. This includes dividends from private companies.
- 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.
- Review dividend strategy where relevant.

New Tax Regulations

For small businesses as of 2024

Recently approved legislation enables small businesses to substantially reduce their reporting and related bureaucratic requirements as hereunder:



1. A small business/taxpayer is defined as one where annual gross income/turnover does not exceed NIS 120,000.
2. Expenses of 30% of turnover may be deducted for income tax purposes, without any requirement for documentation.
3. This may facilitate avoiding the need to submit annual income tax returns, probably requiring simple abridged reports.
4. Similarly, such businesses are exempt from VAT registration and reporting.
5. These changes will be effective as of 2024.

Compulsory Pension for The Self-Employed

- Self-employed persons - under the age of 60 - are legally required to deposit a minimum amount in a pension savings plan.
- The minimum amount is fixed at 4.45% of taxable income that is less than half the "average salary" (11,970 NIS/month) and 12.55% thereafter.
- These provisions do not apply to a person in the first 6 months of activity as self-employed.
- These amounts are required to be deposited by December 31st of each year.
- These deposits will be added to pension fund tax benefits.



Contact Us

-  +972-2-5611323
-  www.broide.com
-  office@broide.com
-  3 Yad Harutzim Street
Jerusalem 9342141

