

Jurisdiction's name:	ISRAEL
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Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

Please list the domestic legal provisions that determine whether an Individual is to be considered a tax resident of that jurisdictions. Such legal provisions may be articles of the relevant tax code (with hyperlinks to the provisions themselves, where possible), as well as any further regulations specifying the residency criteria (if available, with hyperlinks).

This section should ideally also provide further guidance for Individuals to determine whether they are a resident for tax purposes in the jurisdiction, presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

An Individual is considered a tax resident of Israel if his center of life is in Israel.

As an assumption (that may be refuted both by the individual and by the Assessing Officer), the center of an individual's life during a tax year is in Israel, if (a) during the tax year he spent 183 or more days in Israel, or (b) during the tax year he spent 30 or more days in Israel and the total period of his stay in Israel in the tax year and in the two years before it was 425 days or more; for purposes of this paragraph, "day" includes part of a day;

the relevant part of the definition of residence in the Israeli tax code:

"Israel resident" or "resident" –
(a) in respect individuals – a person, the center of whose life is in Israel, and the following provisions shall apply to this matter:
(1) in order to determine the place that is the center of a person's life, the totality of his family, economic and social ties shall be taken into account, including inter alia:
(a) the place of his permanent home;
(b) his and his family's place of residence;
(c) his regular or permanent place of business or the place of his permanent employment;
(d) the place of his active and substantive economic interests;
(e) the place of his activity in organizations, societies and various institutions;
(2) it is assumed that the center of an individual's life during a tax year is in Israel –
(a) if during the tax year he spent 183 or more days in Israel;
(b) if during the tax year he spent 30 or more days in Israel and the total period of his stay in Israel in the tax year and in the two years before it was 425 days or more;
for purposes of this paragraph, "day" includes part of a day;
(3) the assumption in paragraph (2) may be refuted both by the individual and by the Assessing Officer;.....

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Section II – Criteria for Entities to be considered a tax resident

Please list the domestic legal provisions that determine whether an Entity is to be considered a tax resident of that jurisdiction. Such legal provisions may be articles of the relevant tax code, as well as any further regulations specifying the residency criteria. Ideally, also a list of domestic Entity types that are in principle considered tax residents of the jurisdiction should be included (if available, with hyperlinks).

This section should ideally also provide further guidance for the different types of Entities to determine whether they are a resident for tax purposes in the jurisdiction. It can be presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

body of persons will considered an Israeli resident if (a) it incorporated in Israel, or (b) its business and management are activated from Israel.

the relevant part of the definition of residence in the Israeli tax code:

"Israel resident" or "resident" –

(b) in respect of a body of persons – a body of persons for which one of the following holds true:

(1) it incorporated in Israel;

(2) its business and management are activated from Israel, except for a body of persons, the business of which is controlled and managed in Israel by an individual who became an Israel resident for the first time or is a veteran returning resident, as said in section 14(a) and ten years have not yet passed since he became an Israel resident as aforesaid, or by any person on his behalf, on condition that that body of persons would not be an Israel resident if the control and management of its business were not by a said individual or by a person on his behalf, unless the body of persons requested otherwise.

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Additionally, in respect of trusts, if the beneficiary and/or the creator considered an Israeli resident, then, in some cases, the trust will be treated as an Israeli resident

Section III – Entity types that are as a rule not considered tax residents

This item should ideally provide a list of entity types that are considered fiscally transparent by the jurisdiction or are considered to have no tax residence by the jurisdiction based on other criteria, including a particular legal status or tax regime (such as trusts, foundations, partnerships, investment funds etc.), but are considered to have a nexus with the jurisdiction, in particular due to the fact that the entity was incorporated or is organised under the laws of the jurisdiction or has its place of effective management within the jurisdiction. Jurisdictions may wish to complement this section with further guidance on their domestic rules on the topic, either in narrative form or by inserting relevant hyperlinks.

Partnerships, investment funds, certain types of companies which are transparent for tax issues – "House property companies" (article 64 to the Israeli tax ordinance); "Family companies" (article 64A to the Israeli tax ordinance).

Section IV – Contact point for further information

Please provide the contact details of the competent service within their tax authority, which can be contacted in case of further questions on tax residency.

(EU Member States can furthermore refer to the Taxes in Europe Data Base maintained by the European Union, which contains a wide range of information on all taxes in the EU Member States, including on tax residency.)

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