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Taxes

Taxes payable on real estate transactions depend upon whether you are purchasing or selling. As the rules can be complicated, it's advisable to consult your lawyer.

Note: before your rights to a property can be registered in the Land Registry (Tabu טאבו) you will need to exhibit proof that all relevant taxes have been paid.

Land Acquisition (Purchase) Tax - Mas Rechisha - מס רכישה

All real estate transactions in Israel incur Land Acquisition Tax - although it's sometimes assessed at 0%. The tax is graduated, based on several factors including the cost of the property, status of the buyer (first time buyer, purchase for residential purposes, new immigrant, investor, disabled, etc.).

Tax must be paid within 40 days of signing of the purchase contract.

Current rates (August 2015) for single and additional homes are.

Single Apartment

Tax Level	Amount (NIS)	% tax
1st	1,568,800	0%
2nd	1,860,790	3.5%
3rd	4,800,605	5%
4th	16,002,215	8%
Last	Above 4th level	10%

Additional Apartment

Tax Level	Amount (NIS)	% tax
1st	4,800,605	8%
2nd	Above 1st level	10%

Land Appreciation Tax - mas shevach - מס שבח

A Betterment Tax that may apply where a change of zoning laws increases the market value of a property. Your lawyer will check with the local authority to see if any zoning changes that result in Land Appreciation Tax are likely to incur.

Capital Gains Tax - mas revach hon - מס רווחי הון

This tax is payable by the seller. An owner selling his/her sole residential apartment can claim exemption. Commercial property, or additional residential property you will be assessed.

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