

# GALITZER & ASSOCIATES

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## WHAT TO BRING TO US FOR PREPARING YOUR TAX RETURN

The U.S. Internal Revenue Service has been enforcing **the required reporting of non-U.S. financial accounts** and the financial statements of **non-U.S. companies** owned by U.S. citizens and U.S. entities. Reporting is also required for such accounts not owned by U.S. citizens over which a U.S. citizen had signatory authority. The IRS has been assessing very severe penalties for even filing such reports late – after the June 30<sup>th</sup> deadline. Please provide us with details of such financial accounts and/or companies as soon as possible, even **BEFORE** giving us data for preparing your tax returns. Go to our website for brief discussions of **FBAR, FATCA and Form 5471**

1 Details of current address, phone numbers (home, work, fax, and cellular phone), marital status and your date of birth and those of your spouse and all children, especially those born in the tax year and social security numbers and Israeli ID numbers of each. A copy of the list of the names and **dates of birth** of members of your family included with your תעודת זהות would be helpful. **(ISR & US)** If you, your spouse or dependent does not have a social security number, ask us about getting an Income Tax Identification Number -ITIN as soon as possible. **(US)**

2 Original **Form(s) 106** from your Israeli employer(s) reporting salaries paid and payroll deductions, and Original **Forms 857** annual statements of income tax deducted at source (self-employed and companies), and US. **Forms W-2, W-2P and 1099** (interest, dividends, commissions, pensions etc.) and **Forms 867** from all Israeli banks/brokers you deal with. **(ISR & US)**

3 (a) Details of **other income**: interest, rents, dividends, child benefit or Miluim pay or maternity leave payments from Bituach Leumi. (b) Details of all **sales of securities** during the tax year including their original cost and date of purchase, sale proceeds and date of sale. (c) **Forms K-1** issued by partnerships, estates, trusts and certain corporations. **(ISR & US)**

4 If you pay salaries: full details, copy of **Form 126** (unless you would like us to prepare it for you) and income tax and Bituach Leumi payroll **tax payment booklets**. **(ISR & US)**

5 Details of any **retirement plan** contributions made in the tax year or prior to April 15<sup>th</sup> of the following year to KEOGH, SEP and IRA retirement plans for the tax year and of any IRA conversions and their effective dates of distribution. Some plans allow you to make contributions through the due date of a return including extensions. Care should be exercised. **(US)**

6 **Books and records** - Invoices (חשבוניות חט), Kupah register, receipts and payment books, receipts for expenses, account ledgers (כרטיס) and trial balances if available. **(ISR & US)**

- 7 **Inventory** count at year-end. If you maintain an inventory, please call us by December 20 to observe the inventory count at (or near) year-end, in accordance with standard auditing procedures. **(ISR & US)**
- 8 (a) **Odometer** reading (kilometrage) of car or other vehicle at January 1st and at December 31st or date of purchase or sale. **(ISR)** (b) **Automobile expenses** for the tax year such as costs of insurance, registration and test charges as well as gas and repairs and maintenance expenses. **(ISR & US)**
- 9 **Original receipts** for donations from recognized charities. Under the US-Israel tax treaty contributions to recognized Israeli charities may be deductible on your U.S. tax return and vice versa. In order to facilitate the deduction of US donations on your Israeli tax return please request proof of U.S. Section 501(c)3 status from the US charity. **(ISR & US)**
- 10 **Statement from Bituach Leumi** of payments made in the tax year (from your January self-employed person payment booklet). Statements from Bituach Leumi for income received, such as Miluim (Army pay), maternity leave, unemployment compensation, and tax deducted at source, if any. **(ISR)**
- 11 **Original אישור from Kupat Gemel**, life insurance and/or Bituach Menahalim plans reporting payments made in the tax year. **(ISR)**
- 12 **Details of amounts paid** in the tax year for real estate taxes, Arnona and home mortgage interest. **(US)**
- 13 Your **payment voucher booklets** for VAT, Bituach Leumi and advanced tax payments (Mikdamot). **(ISR)** Dates and amounts of U.S. **estimated income tax payments.** **(US)**
- 14 Details of any **substantial gifts** or loans received and any other information regarding income, expenses and equity or capital changes, etc. This can be important also in preparing a Hatzhorat Hone (הצהרת הון) equity statement. **(ISR)**
- 15 Details of any **gifts given** in excess of \$14,000. United States tax law requires that the giver of a gift in excess of \$14,000 to any one person file a gift tax return as part of the US system integrating estate taxation with the taxation of gifts. US rules also require an American to report substantial gifts received from non-US sources. **(US)**
- 16 Details of any changes in corporate capital accounts. **Minutes of Board of Directors**, shareholder loan **agreements** and any other significant contracts or agreements. **(ISR & US)**
- 17 **Ishur from local municipality** if you live in areas that are allotted special tax rates (e.g. certain development towns) for more than 6 months in the tax year.
- 18 Any other information that you wish us to analyze and discuss with you in regard to the year's taxes, or in regard to financial and tax planning for minimizing world-wide income, estate and gift taxes in the future.

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