

# Taxation Guide for the foreign journalists in Israel (2023)

Following multiple enquiries over the past years, on this complicated, yet important matter, the Government Press Office (GPO) has concluded a long dialogue with the Israel Tax Authority, and is now ready to share the most relevant and updated information.

First of all: What is the famous "[article 75A](#)" of the Income Tax Ordinance?

75A provides special tax benefits to foreign journalists who meet three cumulative conditions:

1. They are registered with the Foreign Press Association (FPA).
2. They arrived to Israel for the purpose of working as journalists.
3. Their income from journalism is received from abroad only.

Your tax status will be determined in accordance to the above conditions and the period of your work in Israel.

## **1. A foreign journalist qualified by the conditions of Art. 75A**

A. Work in Israel less than 3 years:

- Pay 25% income tax, flat rate, for any amount of income produced in Israel as a journalist
- Other income made not from journalism – the taxation is the same as applies on Israelis ([tax brackets](#))
- Any income made from abroad (such as, renting your apartment abroad) is not taxed in Israel
- Journalists can write off expenses and pay the 25% tax only from the profit after deducting expenses (upon presentation of documentation/receipts):
  1. Rent paid in Israel.
  2. Meals – up to 330 NIS per each day they spend in Israel.
- Note: If the journalist spends over 30 days in a calendar year outside Israel, the expenses above will be recalculated proportionally. For example, those who spent two months abroad and ten months in Israel, can write off 5/6 of their annual rent and meals.

B. Work in Israel over 3 years, but less than 5:

- No more 25% tax, no writing off expenses. You pay your taxes according to the [tax brackets](#) as Israelis do.
- Still exempt from reporting and paying tax for income made abroad (i.e, defined as a foreign resident for up to 5 years).

C. Work in Israel over 5 years (you are then considered an Israeli resident in regards to taxation laws):

- Pay your taxes according to the [tax brackets](#) as Israelis do.
- Must report and pay taxes for any income made abroad.
- However, if you spend most of the year (183+ days) outside of Israel, you may be able to argue that you are not an Israeli resident and the tax authority will examine your case based on parameters such as where is the center of your life, your base (family, permanent address, etc.). If approved to be considered a foreign resident, you will be exempted from paying tax for your income made abroad.

## **2. A foreign journalist not qualified by the conditions of Art. 75A**

- Pay your taxes in accordance to the [tax brackets](#) as Israelis do.
- No benefit of writing off expenses.
- Also must report and pay taxes for any income made abroad.
- You are likely to be considered an Israeli resident in regards to taxation laws from day one. However, if you spend most of the year (183+ days) outside of Israel, you may be able to argue that you are not an Israeli

resident and the tax authority will examine your case based on parameters such as where is the center of your life, your base (family, permanent address etc). If approved to be considered a foreign resident, you will be exempted from paying tax for your income made abroad.

### **Special instructions for freelance journalists and contractors who do not work with regular paychecks**

While employees report their income to the tax authority via their employers, freelancers must do so independently:

- Freelancers must open a V.A.T file at the nearest Tax Authority office (register as a "licensed dealer").
- Freelancers must issue legal tax invoices for all income they earn in Israel. Self-made digital invoices are legal ONLY if done with a licensed accounting program. A bound invoice paper book with serial numbers and the dealer's details is also legal (certain criteria apply).
- Foreign freelance journalists who work for foreign companies not registered in Israel enjoy a 0% V.A.T rate (as opposed to the Israeli flat V.A.T rate of 17%). That means, an invoice is still mandatory, but you need not charge your media any of tax.
- Foreign freelance journalists, who work for foreign companies registered in Israel, must add 17% V.A.T to their invoice. The same applies to those who work for Israeli companies.
- Once a year, until 31 May, freelance journalists must submit an annual report of their income during the previous year. The report will determine the amount of income tax they must pay – all according to the Israeli [tax brackets](#). Individuals are allowed to file an annual report without hiring a professional, as long as their report corresponds with the legal requirements.

### **Three general remarks:**

- It is every individual's legal responsibility to comply with the tax regulations in the country where he or she works. As always, "not knowing" the law never absolves one from any legal obligation.
- There will always be special circumstances for certain individuals. While the GPO does its best here to address as many possible cases, those special circumstances and any other questions must be taken directly to the tax authority office closest to your residence, for a personal inquiry.
- The foregoing does not constitute an official and binding position by the tax authority; nor is it tax advice or a substitute for tax advice.

The Government Press Office